$40 Million Pot (Page 10)

Are Golds a Buy? (Page 20)

THE FINANCIAL POST

Largest Circulation of Any Canadian Financial Paper

The Canadian Newspaper for Business Men and Investors

Vol. XXIX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JULY 27, 1935 | 10c a Copy; $5.00 a Year | No. 30

The Nation's Business

The Price of Wheat

What Minimum Will Be Fixed?

Guinea Pig Directors Hit By Investigator

Mr. Stevens and a Finance Firm

What Minimum Price for Wheat?

NO REASONABLE Canadian doubts the importance of the farmer in this Dominion. Nearly one out of every three earners in the country is an agriculturist. Including those indirectly dependent on the soil, this ratio probably amounts to something nearer one half than a third.

Nor is there much room for doubt as to the importance of wheat in our farm balance sheet. This crop alone has netted Canadian farmers almost $3 billion at farm prices in the past ten years. It is by far our biggest single export item.

* * *

OBVIOUSLY there is wide national interest in the basis on which the 1935-36 crop (probably the first normal crop in four years) is to be marketed by the proposed government control board. Political groups in the West are trying to persuade the farmer that it is in his interest to press for a high initial payment on the new crop. The figure of 80 cents a bushel is urged by Alberta's Premier Reid and others. It is argued that the farmer needs this much money to net him a fair return on his investment; that anyway this is quite a reasonable price when balanced against the "protected" prices farmers have to pay for the goods they buy.

But 80 cents a bushel is probably 10 cents a bushel more than wheat can be sold for even now, at the tag end of the marketing year; it may be considerably more than the price which a 400 million bushel crop will bring when marketed along with a 200 million bushel carryover. Simple arithmetic shows the difference might easily amount to 75 or 100 million dollars—the equivalent of another C.N.R. deficit. It would have to come out of the public purse, of course—would be paid ultimately by Canadian wage-earners—at least a third of whom are themselves farmers.

* * *

ADMITTEDLY the price a farmer pays for commodities is high in relation to present price level of farm products. But trying to level this out by laying a new financial burden on himself and other wage-earners is no real solution to the problem. On the contrary such a procedure would aggravate the dilemma by bringing new wheat into production as a result of the artificially high domestic price; would tend to inflate wheat production costs at a time when a successful wheat sales policy depends on keeping costs at the lowest possible figure and marketing every possible bushel as cheaply as we can. It would further antagonize the very markets we are so anxious to cultivate.

There has been little quarrel with the decision of Parliament to continue to aid western wheat growers in their present dilemma. The policy is based on the assumption that wheat-growers must not be left unsheltered when everyone else is protected. But the chief aim of the new control board must be to market our wheat as quickly and profitably as humanly possible. Wise leadership should sense at once the folly of upsetting this programme by announcing as a political vote-catcher, a wholly unsound and artificial minimum price for the new crop. Mr. Bennett, we hope, will be wise enough to resist this demand. He must be fair to farmers, but he must also consider their long-term interests and be fair to the country too.

* * *

The Directors Did Not Direct

THE comment that The Financial Post would make on recent revelations about the Manufacturers Finance Corporation swindle is the same comment we made seven years ago:

"The present sorry state in the affairs of the Manufacturers Finance Corp. calls attention once more to the infallibility of a list of distinguished names on a directorate. Well-known citizens in every part of Canada, some of them politicians of no little note, were members of the board of this company. Now it has gone to the wall, and while the shareholders' meeting to which the liquidator will make his report has yet to be held, enough has been disclosed to The Financial Post to indicate that it was bad

(Continued on page 2, col. 3)

FACE ELECTION WITH DEPLETED PARTY FUNDS

War Chests Low as Leaders Prepare For Campaign

NEW PARTY CHANCES

Ottawa Speculates on Stevens Support—Some Injury to Conservative Party Conceded

From Our Own Correspondent

OTTAWA. — With Hon. Harry Stevens away to the west and J. S. Woodsworth busy in Saskatchewan, the general election only lacks the unlimbering of the big guns—Rt. Hon. R. B. Bennett and Rt. Hon. W. L. M. King.

Unless there is a sudden change in the next few weeks, all the political parties will be complaining of the depression. It is apparent that campaign funds are very low. This applies not only to the minor but to the major parties.

Speculate on Stevens

The Reconstruction party continues to attract most interest at Ottawa because it is difficult to appraise its progress. Mr. Steven's mail bag is heavy, running to about 300 letters per day. And money contributions are trickling in.

While it is conceded that the Reconstruction party has made an appeal to the masses, it is not yet clear what manner of organization Mr. Stevens will be able to build up. Retail merchants organizations in the main are behind him. There is, however, nothing unanimous in their individual member support. Likewise, Mr. Stevens is attracting aid from small manufacturers. Warren K. Cook, the president of the new party, is one such. Many others, desiring relief from so-called mass buyers, are backing the Stevens crusade for business regulation. Finally, there is evidence to indicate that the United Church is most sympathetic. This is not as an organization or a denomination, but in the sense that some of its ministers find the man and his policies attractive.

It will probably be three or four weeks, however, before the true position is disclosed.

The impact of the Stevens party on the Conservative organization has been noticeable. It is the general view at Ottawa that if Mr. Bennett continues to ignore the situation, it may easily become very marked.

A few Bennett clubs have become Stevens clubs. The Conservative executive of Hull, Que., went over in a body to Stevens. Several former Tory organizations have swung over. The only areas where the Reconstruction party seem to have failed to make some impression are the western provinces and the Maritimes.

SEE ELECTION NO HINDRANCE TRADE PARLEY

Negotiations With U. S. Delayed by A. A. A. Amendments

From Our Own Correspondent

WASHINGTON, D.C. — Rumors that United States is unlikely to conclude negotiations for a trade agreement with Canada until after the general election are vigorously though unofficially denied. What is really holding up conclusion of the trade agreement, it is said, is the bitter and long drawn out debate in the U.S. senate over amendments to the Agricultural Administration Act.

A.A.A. Snarl

Among these amendments are two which would vitally affect a foreign trade agreement. They include: An amendment offered by Senator Robert D. Carey, Republican, of Wyoming which forbids making a foreign trade agreement covering any commodity in the A.A.A. programme.

An amendment inserted in the house but subsequently removed by the senate committee providing for presidential authority to impose a compensatory tax or quota or both on any foreign imports found by the tariff commission to be in "unfair" competition with any commodity covered by the A.A.A.

Rumors Scouted

A good many far-fetched stories have been published concerning the trade agreement negotiations. While it is true that unofficial conversations have been going on for months between Hon. W. D. Herridge, Canadian minister at Washington and the U.S. department of state officials, absolutely no definite conclusion has been arrived at with respect to any. Both sides, of course, are well informed unofficially what the other wants.

No doubt the American negotiators would be pleased to get a concession entitling U.S imports to the Canadian intermediate tariff. That would at once put Boston and other northeastern American ports on an equal footing with the Canadian maritime ports in so far as handling shipments of imports from nations other than British Empire nations. For that reason alone, such a proposal would be violently resisted by eastern Canada.

Negotiations Fail, $20 Millions Involved In Nippon Trade War

Stake $20,000,000 In Trade War Threat

Canada's recently increasing trade with Japan is threatened. Some $20 millions is involved. So far this has been predominantly in Canada's favor. In hostilities to date certain significant products such as nickel and other metals have been exempt from Japan's 50 per cent surtax. Newsprint, also, is not affected. British Columbia with the largest stake, is vitally interested. Chief trade figures are

	1934 $	1933 $
Leading Imports—		
Chinaware	440,650	390,309
Rice	336,732	280,480
Tea	316,789	264,052
Oranges	313,332	339,691
Silk & art. silk	343,850	907,001
Drugs & med. .	102,560	51,103
Toys	144,413	156,249
Leading Exports—		
Wheat & wheat flour	3,583,994	2,936,638
Wood pulp	1,463,631	807,836
Lead, pig, refin.	1,415,331	900,255
Lumber	1,398,648	1,415,057
Alum. & prods.	1,340,096	782,942
Paper & prods.	1,201,723	1,025,667
Zinc, spelter ..	735,940	726,819
Fish, dried, salted	543,622	309,738
Asbestos	415,531	375,474
Scrap iron	344,227	122,029
Nickel, fine ...	319,721	92,984
Films	251,373	244,524

Japanese Bluff Carried Too Far to Permit Retreat

WORLD THREAT

British Trade Assailed in Egypt Then Australia—Was Canada to Be Next?

From Our Own Correspondent

OTTAWA.—Six months negotiation have failed to avert tariff hostilities between Japan and Canada. Approximately $20 millions in trade per annum is directly involved. This is four to one in Canada's favor—$16 millions of exports against $4 millions of imports.

Japan has clapped 50 per cent surtax against ten leading Canadian exports. The Bennett government is replying by imposing an additional tariff of 33 1/3 per cent against Japanese goods. But both governments are continuing to negotiate, confident that if any compromise can be reached these surtaxes can be immediately repealed by order-in-council overnight. The Canadian embargo is not effective until Aug. 5 to exempt goods now in transit.

Deep Waters

To say that the Bennett government plunged suddenly into this trade war would be unjust and untrue. On the face of the trade figures, Canada stands to lose heavily. But issues of fundamental importance are involved which outweighed all other considerations and, in reality, left the government little choice as between meeting the demands of Tokio and offering determined resistance.

It would appear that in addition to trade rivalry there are elements of world politics involved. The Bennett government undoubtedly faced the question in a serious way, making compromise proposals to Tokio which it was hoped would be and may still be accepted.

Jap Bluff?

There was a feeling at Ottawa that Japan was bluffing, wielding over-fiercely the big stick of trade advantage which she held. On Japan's part it looks as if the entire negotiations were carried along on an assumption that Canada would yield rather than forfeit $16 millions of trade. But when Tokio discovered that Premier Bennett was not bluffing, the game had been carried too far to make a graceful retreat possible.

In addition to direct trade there are said to be $4 millions of indirect imports but inasmuch as the government statistics do not show them as coming from Japan it is doubtful if the surtaxes can be applied. Herein lies one loophole which the Tokio authorities may rely upon as defeating, in whole or in part, the decision of the Bennett government to retaliate. This indirect trade comes entirely through the United States.

The fifty per cent Japanese surtax will apply to lumber, pulp, flour, starch, packing paper, match paper, gluten and minor items.

It will be noted that the list of taxed items emanating from Tokio does not include nickel, copper, and other metals. Unless this gap is filled in, one fourth of Canada's export trade may escape injury.

B.C. Hit

Word from Vancouver states that the surtax on lumber and pulp has already had a crippling effect on forest industries of British Columbia. Such a levy means a complete embargo. For the first time in years shipping men state that they have not had a single order from Japan on their books.

Pulp mills will be hard hit, if the surtax remains in effect for long. Japan had been regarded as one of the most dependable customers for pulp. Newsprint is not affected. Until a few years ago Japan was self-supporting in newsprint, but recently consumption has been so great that imports from Canada and other countries have been imperative. Japan would only be hurting herself if she put additional tariff on newsprint.

Politics Involved

The Japanese government appears to have relied rather too freely on the existing political situation to further its efforts to force the Bennett

(Continued on page 2, col. 5)

BUSINESS RISE MORE GRADUAL IN SIX MONTHS

Trend Since 1933 Continued at Slower Pace

INDEX UP 7 P. C.

Canada's journey on the road to prosperity advanced further in the first half of 1935. But the pace has been more moderate. The Financial Post Business Index, a comprehensive measure of the trend of operations in terms of actual volume, continued its upward course throughout the period with but a slight reaction in January. As compared with the first six months of 1934, there was a gain of almost seven per cent.

Rise Unmistakable

During the summer of 1933, there was a remarkable burst of activity. While the pace of that period has not been maintained, continuance of the revival begun in that year is unmistakable, statistics reveal. Conditions are now at a point well over 40 per cent above the depression low. From a general standpoint, setbacks in the past two years have been minor in character. The upward trend during the period has lent color to the hope of further gains as constructive factors gather momentum.

Production Gains

A highlight in the general production situation of the last six months has been one of the most active seasons in the history of the automobile industry. Sugar production jumped nearly 22 per cent. Heavy replacement demand for boots and shoes increased output almost 18 per cent. Crude petroleum imports at 442.6 million gallons were well ahead of last year. Output of pig iron showed an abrupt rise of 65 per cent. Gains in the new business obtained by the construction industry were marked.

Some Recessions

There is, of course, another side to the story. While the gain of 7 per cent mentioned above reflects an advance for the average of 47 factors, it should not be inferred that each of the industries shared in the improvement. Wheat flour production was down six per cent, rubber imports declined, steel production was not quite as heavy and imports of raw cotton and wool have shown a sharp drop of about 30 per cent. However, the general compilation shows advances more than counterbalance declines.

Financial Picture

Most significant of the factors in the financial background is considered the rise in high-grade bond

(Continued on page 2, col. 6)

Walker Peoria Fire Loss Is Declared Not Serious

Nearly 12,000 shares of Hiram Walker-Gooderham & Worts common stock were sold on the market at declining prices on Tuesday last, because of a fire which destroyed No. 3 rack warehouse at the company's Peoria plant. The lowest price for the day was 26½ and the closing price was 27½, 3¼ down, the price gaining as later news showed that the fire was not nearly so disastrous as had first been reported.

The first sensational reports led the public to believe that the whole of the modern distillery, the world's largest, erected in 1934, was endangered. The Financial Post is informed that only No. 3 rack warehouse was completely destroyed along with 80,000 barrels of junior whisky, equivalent to approximately four million American gallons.

Production is Not Affected

The company had stored about 11 million gallons and the loss therefore constitutes roughly about one-third of the total stock. That destroyed is the most junior stock of whisky in its possession. It is estimated that in three months another four million gallons will have been stored. The fire puts the company back only with regard to its distilling of the last three months.

The loss, probably about $2.6 millions, is covered by insurance, The Financial Post is told. This warehouse was erected on made land and there is a disposition in Peoria to think that settling of foundations brought strains which the heavily laden floors could not stand.

—Drawn for The Financial Post by R. Kaell.

TIME TO PUT ON HIS "LONGERS"

Guinea Pig Directors Manufacturers Finance Slammed by Godfrey

Political Grandees Lured to Act as Stock Sales Front

RUBBER STAMPS

Incompetent and Dishonest Management — Board Failed in Plain Duty —No Prosecutions

The career of Manufacturers Finance Corp. as revealed by the Ontario Securities Commissioner, is a shining example of all that such a career should not be. It was born in iniquity and ended in disaster. In it were exemplified the most glaring evils of the financial epoch that came to an end in 1929.

The findings of fact by John M. Godfrey, Ontario Securities Commissioner, after holding a royal commission into circumstances surrounding the sale of securities, show that its affairs were conducted from the start with a scandalous disregard for the interests of shareholders and the public. Directors did not direct, management was both incompetent and dishonest and accounting practices were damnable.

Window-Dressing

The names of prominent men as directors, annual reports of profits that never were realized, illegal declarations of dividends and insurance designed not to make things safe but to make the public think so, were all used as "front" for the sale of securities to the public. The latter had upwards of $3 million taken from it and the liquidator, G. T. Clarkson, indicates that no more than $300,000 will be salvaged and nothing for the shareholders.

Directors were prominent politically in most cases. The general public could not guess that most of them were unversed in the complexities of banking and finance. They did not even realize in many cases what their responsibilities were. In fact, Mr. Godfrey classes as "guinea pig directors" such well-known Canadians as Hon. P. E. Blondin, former Postmaster General, the late Hon. G. D. Robertson, former Minister of Labor in the Borden administration, Hon. H. H. Stevens, former Minister of Trade and Commerce in the Bennett administration and now leader of a third party pledged to reform finance and commerce and industry, Lt.-Col. Boyd Anderson, Colonel D. R. Street, Colonel Robert Starke of Montreal, Chas. B. Howard, D. A. Morrison and the late W. J. Westaway.

"Guinea pig directors" is a well-known appellation in the United Kingdom and refers to directors who get a guinea for attending each meeting but who have little further interest in the firms they are supposed to guide. They have titles or political or social prominence which make them ideal window-dressing for promoters appealing to the public. Lack of real financial, business or commercial experience is hidden. In fact, it has become almost an axiom among British financial writers because of the prevalence at one time of this evil, that the least-known directors are often the best.

"Front Men"

Mr. Godfrey's intention in using such a name is made evident by his further remarks: "These men had no qualification to act as directors in such a highly specialized banking business as the one in which the company was engaged. They allowed the pamphlet entitled 'Safety First' to go out (to prospective shareholders) with this statement, 'The directors whose names are published in this booklet are men of standing well and widely

(Continued on page 2, col. 3).

Hope of Better Sale May Delay Wheat Bd.

From Our Own Correspondent

OTTAWA. — It is now reported that the government plans no immediate action on appointment of the proposed wheat board. The present idea, according to opinion in well-informed circles is that the government's wheat position may show a much improved aspect before long. Although the Statistical carryover as at July 31 is going to be very large, wheat holdings may be materially cut down by export sales during August. The international price level may make the prospective loss on such holdings seem less.

It is desired, according to these reports, to delay appointment of the board as long as possible, in the hope of making transfer of holdings to the board on a basis that would show a comparatively small loss. The declaration of a fairly high minimum price on the new crop is also desired. No action is anticipated in any case until a clearer idea is obtainable as to rust damage.

MOTOR CAR SALES FIRST SIX MONTHS SOAR ABOVE 1934

In the first six months of this year automobile sales in Eastern Canada were up almost to the nine months figure of last year. This was in spite of a decrease in June sales, which at 8,226 cars, were over 1,000 less than a year ago. Total sales for the half year were 42,167 units as compared with 32,124 in the corresponing period of 1934.

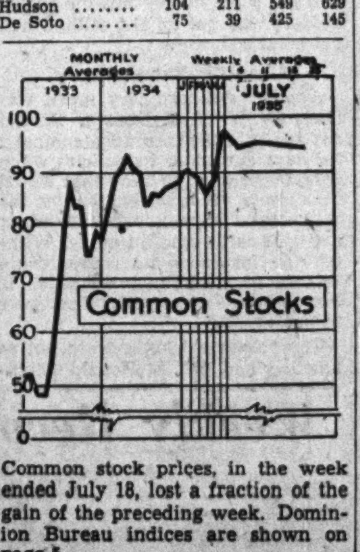
Reduction in June was fairly general, although Ford, Pontiac and a few others moved up. For the six-month period, however, most of the leading makes show material gains. A notable exception is Buick sales which have declined from 1,217 in 1934 to 576.

In the number of cars sold, Ford is far in the lead. Chevrolet, in first place at this time last year, is next in line, but trails Ford by about 350 units.

Automobile production in June fell off sharply to 20,702 cars, a decline of 24 per cent from the previous month, and of 14 per cent from the same month a year ago.

Sales of 12 Leading Automobiles (In Eastern Canada)

	June 1935	June 1934	6 mos. 1935	6 mos. 1934
Ford	2,309	1,963	12,495	7,546
Chevrolet	1,926	2,262	8,911	8,823
Plymouth	943	1,064	4,650	3,648
Dodge	925	984	4,631	3,562
Oldsmobile	550	838	3,033	1,407
Pontiac	478	416	2,595	1,314
Chrysler	214	297	1,187	996
Terraplane	246	307	1,201	1,040
Studebaker	106	154	616	604
McL. Buick	82	384	576	1,217
Hudson	104	211	549	629
De Soto	75	39	425	145



Common stock prices, in the week ended July 18, lost a fraction of the gain of the preceding week. Dominion Bureau indices are shown on page 5.

Highlights

Japanese Scrap

Reminiscent of countervailing duties, Canada has retaliated to Japan's super tariff. Is retraction possible? Page 1. Militant imperialism is behind Nipponese policy. Page 6. Also Page 11

Golds Weaken

Weakness in leading gold stocks analyzed for investors. They still yield more than prime industrials. But is the cream off? Page 20

Textile Tendencies

British and Japanese tariff friction with Canada makes The Post's survey of textiles particularly timely. Canadian mills are active in cotton, woollens and silk. The industry reviewed for investors and business men. Page 11. Investment analyses of individual companies. Pages 12 to 16

Investors' Index

Inter City Baking dividend 9
Rogers Majestic higher earnings 17
'Peg Electric plan support 17
Pickle Crow to enlarge mill 18
Inter. Mining equity up 18

INDUSTRIALS, UTILITIES, ETC.

Abitibi	10	Ham. Bridge	10
Acme Glove	10	Howard Smith	10
Alta-Pac. Grain	10	Inter. Power	10
Alexandra Apts.	5	Inter City Bak.	9
Algoma Cons.	17	I. P. of Nfld.	5, 19
Am. Cyanamid	9	Lake of Woods	10
Brewing Corp.	10	Mersey Paper	19
B. C. Packers	10	Midland Loan	9
Bank of Can.	4	Mackay Cos.	9
B. A. Oil	5	Metropolitan L.	8
Brazilian	5	Massey-Harris	5, 10
Chem. Research	2	Nat. Biscuit	19
Can. W. Nat. Gas	9	Notre D. de Mtl.	5
Can. Perm. Mort.	9	Natl. Breweries	5
Canada Cement	10	Postal Tel.	5
Can. Steamships	10	Page-Hersey	5
Candn. Car	10	Pacific Mills	19
Candn. Vickers	10	Price Bros.	10
Candn. Surety	8	Rogers-Majestic	19
Dom. Steel	10	Spruce Falls Pr.	19
Dom. Coal	4	Stand. Reliance	9
Dom. Tar	10	St. Law. Paper	10
Distill. Seagram	17	Sher.-Williams	10
Dom. Stores	17	St. Law. Corp.	10
Eastern Dairies	10	Teachers Invest.	9
Fraser Cos.	19	Transprt. Bldg.	19
Garment Centre	5	Viau Biscuits	10
Gordon & Belyea	9	Woods Mfg.	10
Geo. Weston	9, 17	Winnipeg Elec.	10
Goodyear	9	W.-Gooderham	1, 9
G. Stl. Wares	9, 10	Western Savings	9

MINES AND OILS

Afton	18	Lowhee	20
Beattie	19	Lake Shore	19
Cariboo	20	Lebel Oro	9
Cons. M. & S.	20	Matachewan C.	18
Colony Oil	18	Maple Leaf	18
Chromium	18	McIntyre	18
Coreless Pat.	18	Model Oils	18, 19
Clive	18	McKinley-Dar.	9
Coniaurum	18	Noranda	20
Diana	18	Nova Scotia	18
Dentonia	18	Perron	20
Fox Lake	20	Parkhill	20
Falcon	18	Prem. Border	19
Gilmour	18	Pickle Crow	19
Gabrielle	18	Reliance	20
Gra'm Bousquet	19	Quesnelle	20
Granby Cons.	20	R. L. Gold Shore	18
Gold Mountain	20	Reno	9, 18
Howe Sound	19	Stadacona	9
Hudson Bay	18	Sally	20
Harkness Hays	18	Sixty-Two	18
J. M. Cons.	18	Ymir Cons.	20

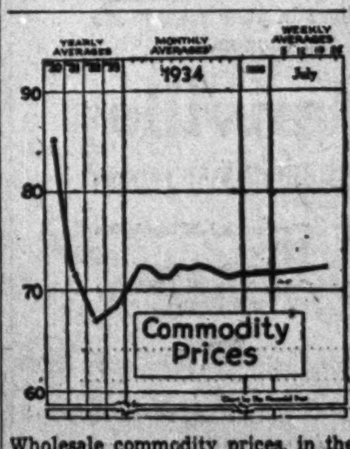
TEXTILE REVIEW

Acme Glove	14	Montreal Cottons	14
Belding-Cort.	14	Mercury Mills	15
Biltmore Hats	14	Ont. Silknit	12
Brantford Cord.	12	Penmans	14
Bruck Silk	14	Pattinson & Co.	16
Can. Converters	15	Regent Knit.	15
Cosmos Imp.	15	Riverside Silk	14
Candn. Cottons	15	Stanfields	12
Dom. Textile	13, 15	Supersilk	15
Dom. Woollens	15	Stetson	14
Candn. Celanese	12	Tooke Bros.	12
Can. Cons. Felt	12	Tip Top	16
Guelph Carpet	16	Tor. Carpet	14
Goodyear Cotton	12	Wabasso	14
Ham. Cotton	12	Woods Mfg.	12
Harding Carpets	16	Zimmerknit	16
Monarch Knit.	15		

QUOTATIONS

Bonds	16	Stocks	16
Grain	17	Mines	16, 19

Foreign Exchange . . . 4



Wholesale commodity prices, in the week ending July 19, advanced 0.1 points to 71.4.

FUND BUYS $40,000,000 GOV'T BONDS

No Exchange Control by Government Fund Visible Yet

HOLDS SHORT TERMS

Exchange Fund Can Act to Weaken Canadian Dollar But Not Yet Able to Strengthen It

Foreign exchange fund of the Dominion government apparently holds $40 millions of five-year three per cent government bonds purchased from the Bank of Canada.

The fund amounts to $63 millions. It was created and invested within the last three weeks.

In financial circles it is believed that the assets of the fund are: $40 millions of 5-year 3's; possibly $15 millions of short-term treasury bills, and about $8 millions on deposit with the central bank.

Can't See Control

Banking and exchange authorities cannot see any evidence that the fund is being used to control exchange rates. Foreign balances held by the Bank of Canada are thought to be only for the purpose of meeting the routine obligations of the government.

Changes in the Bank of Canada statement in the last three weeks indicate the status of the exchange fund. The Exchange Fund Act provides that gold held by the bank shall be valued "at the current market price." So the bank has written up its gold from $20.67 to $35 an oz. This changed the gold value from $106.7 millions to $180.2 millions, an increase of $73.5 millions. Approximately $10.5 millions of this profit accrued to chartered banks. The net result was that some $63 millions remained to be credited to the exchange fund of the government.

In Special Account

Under the Exchange Fund Act, the $63 millions was credited by the bank to a special account in the name of the Minister of Finance. Banking authorities are practically certain that $40 millions of this deposit was immediately employed in repurchasing bonds previously issued to the Bank of Canada. The evidence of this is that long term investments of the bank dropped precisely $40 millions in the week that the gold was revalued. Since the securities were not placed on the market, it is concluded that they were taken up by the exchange fund.

Indication that the fund holds short-term government securities is seen in a shrinkage of such investments in the central bank's statement. In two weeks, the short-term securities of the Bank of Canada have dropped some $15 millions. It is not known definitely that these were purchased by the exchange fund.

Securities Not Cancelled

Disappearance of some $55 millions of investments from the assets of the Bank of Canada does not mean that the fund has bought government obligations from the bank and cancelled them. Rather it signifies that the operations of the fund are concealed. Only part of the money has been left on deposit for the eye to see. The securities bought from the bank are simply held by the Minister of Finance for the fund. They may be sold and the proceeds credited to the special account of the Minister at the bank.

For the present, it is unlikely that the account will undertake important exchange operations. The Bank of Canada is understood to have been dealing in foreign exchange only for the ordinary purpose of the government as its banker. The responsibility for determining any foreign exchange policy will in any event rest upon the government.

Can Weaken Dollar

One method by which the fund could influence exchange rates in Canada is by purchase and sale of securities. It could, for instance, weaken the Canadian dollar at least temporarily in this manner: Its holdings of Canadian securities could be liquidated in this country. Then the fund could buy Canadian securities in the United States; or it could simply buy American funds for deposit in New York. The effect would be to create a demand for American dollars and thus to weaken the foreign exchange value of the Canadian dollar.

As in the case of the British equalization fund, however, Canada's exchange fund cannot very well act to raise the foreign exchange value of the Canadian dollar. To do so it would be necessary for the fund to have foreign assets which could be used to buy Canadian exchange. As yet it has no important amount of foreign assets. The fund can only operate in one direction at present. It can act to weaken, but cannot strengthen the Canadian dollar.

Building Rise Marks Business

This week's business was featured by reports of greater activity in construction. Details of this and other factors affecting the general situation are given in stories on pages 1 and 7.

Weekly:	No.	Change from Previous Week %	Change from Previous Year %
Car loadings ..	45,668	+14.6	+ 0.8
Cattle sales	12,715	+10.7	[illegible]
Hog sales	9,918	—39.9	[illegible]

The Nation's Business

(Continued from page 1)

management, in fact, very bad management, that permitted the company to get into difficulties.'

After discussing some of the company's policies we went on to say:

"But if Mr. Stevens and his fellow directors come in for some public abuse as a result of the losses investors have suffered they have only themselves to blame. They went on the board of a company financing installment sales at a time when installment selling was in a rather unsettled and experimental stage. They permitted their names to be published in annual reports that revealed only large profits and hinted at none of the potential losses that were being piled up by carefree loans. They apparently permitted their names to go on booklets issued by the company that spoke of the 'unimpeachable security' of the company's guaranteed investment receipts and referred to the stock as a 'safe investment.'"

* * *

INVESTIGATION under the Ontario Securities Act made by Commissioner John M. Godfrey revealed that the directors did not direct. They may have been hoodwinked by the president and secretary-treasurer of the company but with a few exceptions they were themselves either culpable or negligent in the failure.

Shareholders should be able to rely upon directors to protect their interests. They should be able to rely even more upon auditors but in this case, the auditor, N. L. Martin, was apparently very ineffective as a protector of shareholders' interest.

* * *

Embarrassment of a Reformer

THERE is some political significance at the moment in the fact that one of the Manufacturers Finance directors who comes in for the most criticism is the Hon. H. H. Stevens. He spent much of the year 1934 condemning watered stock and other indecent corporate practices, and the Price Spreads report—the charter of his new party—emphasizes that directors are or should be trustees for investors. Stock watering and lack of stewardship by directors were prominent in the Manufacturers Finance Corp.

The Godfrey report will make it a little difficult for Mr. Stevens to become or remain long the head of any great national party. Between the Canadian-American Oil & Refining Corp. and the Manufacturers Finance Corp., Mr. Stevens's record of stewardship toward investors who have trusted him is rather out of keeping with the high moral tone of his Reconstruction campaign.

* * *

Politics and Justice

ONE of the things that John M. Godfrey, K.C., Ontario Security Frauds Commissioner, set out to do in his analysis of the affairs of Manufacturers Finance Corporation was to determine whether or not the previous Attorney-General of Ontario and his officers did all they might properly have been expected to do in prosecuting those responsible for the downfall of this company. Mr. Godfrey exonerates Col. Price and his associates but in his report there is a curious passage which calls for some public attention. He points out that Col. Price sent a memorandum on the case to Premier Ferguson. In his memorandum he referred to "political pressure that had been brought to bear upon him to prevent the prosecution." Mr. Godfrey quotes Colonel Price as saying:

"There has been constant pressure on behalf of the MacDonald's to the effect that it will embarrass men like Sir Robert Borden, Arthur Meighen and a great number of others who bought some of the preferred stock. I have sounded this out and believe that Sir Robt. Borden thinks that there should be a prosecution and that it will not embarrass anyone except these men themselves."

It is, of course, to the credit of Sir Robert Borden that he should not have objected to a prosecution of the directors of a company when so many of his political friends were involved. It is also to the credit of Col. Price that he decided to go ahead with the prosecution.

But why was it necessary for Col. Price to sound out the political effect of the prosecution? Why was it necessary for him to ask the views of Sir Robert Borden? Surely this is an admission that justice is sometimes administered politically in this country.

GUINEA PIG DIRECTORS MANUFACTURERS FINANCE SLAMMED BY GODFREY

(Continued from page 1)

known, who back the company's representations by their business experience and judgment and weight of their personal reputations.'

"They were lured into the company and allowed their names to be used by a gift of common shares of stock ... They lent themselves and their names to Senator J. A. McDonald, thus enabling him to sell securities to the public on the strength and respectability of his directorate."

With the exception of Col. John A. Cooper and Messrs. J. A. C. Cameron of Toronto, and H. R. Huot of Montreal, says the report, they did no directing and they were simply "rubber stamps for the McDonalds." In the vernacular of the underworld they were "front men" for the McDonalds.

Millions in Water

Manufacturers Finance Corp. was formed under Dominion laws on April 16, 1923, with 650,000 shares of $10 par value. This was divided into 300,000 8 per cent preference shares of $10 par value and 350,000 common shares of $10 par value. On May 22, 1926, the common shares were changed into no par value shares. The preferred shares were destined for sale to the public at $12.50 a share of which 25 per cent went in commission and $1.87½ cents a share was set aside as "Underwriters Offset Account." This was a special account used to pay the running expenses of the company, thus making it appear there was a yearly revenue above expenses though they were being really paid from capital. Only $7.50 a share actually went into the treasury of the company.

The company had power among other things "to purchase, buy, sell and deal in agreements, liens, bills of exchange, promissory notes or other negotiable instruments given in connection with the sale of any lands, goods, wares or merchandise."

The promoters were Senator J. A. McDonald and his brother, W. M. McDonald. The latter took the whole 350,000 common shares in return for the capital stock of Crematone Sales & Credit Co. and "for a certain scheme which W. M. McDonald was alleged to have in connection with the organization and management of a company which would finance commercial paper." The only assets of Crematone were two patents which were never used and the shares were all "water."

Saving Amherst Piano Chestnuts

Senator McDonald was then substantially interested in the Amherst Piano Co. which was making pianos at Amherst, N.S., but was in "serious financial difficulties." Though the paper to be discounted by the later formed Manufacturers Finance Corp. was stated to consist of "notes given for the sale of automobiles and musical instruments," it turned out that 90 per cent of the business of the company was the discounting of lien notes given in payment of Amherst pianos.

Besides organizing Manufacturers Finance Corp., Senator McDonald established the following dealer agencies: The Ontario Piano & Music Co., Hardy-Lusby Piano Co., the Niagara Peninsula Music Co. and the International Piano Co., which was a subsidiary of Ontario Piano & Music Co.

The method of doing business was for one of these McDonald dealer companies to sell an Amherst piano for about $400. A lien note for three years payable monthly would be taken for what remained of the $400 after the down payment was deducted. The dealer company would then discount this note with the Manufacturers Finance Corp. for $300, and it would take a $100 paper profit on each transaction, always supposing it would be able eventually to collect the whole amount. Of the $300 paid by the Manufacturers Finance Corp. for each note $200 would go to the Amherst Piano Co. and $100, less down payment, to the dealer company. It collected $400 theoretically from the piano buyer.

Poor Old Public

None of the dealers had any financial standing, their sole interest being to sell pianos. So long as they could get the money from Manufacturers Finance Corp. it apparently did not matter what kind of risk was taken. Pianos were sold in some cases with no down payments, in others with a very small down payment and in still others with a promissory note to cover the down payment. In some cases puzzle contests were run and winners were given credits on down payments.

The accounts speedily were in default to the extent of 75 per cent and the accounts of the company were frozen and uncollectible. During the first three years the dealer companies made the collections and deducted from these collections their profits and this though Manufacturers Finance represented to the public that it had an excellent collecting organization and did its own collecting.

Even in 1926 when the company started to collect in a small way conditions did not improve. The company collected some $18,000 to $22,000 monthly and paid out in expenses $14,000 a month exclusive of interest and capital charges. From the beginning the collections of dealers were less than profits on new business they turned in. The Manufacturers Finance Corp. was only able to continue under these conditions because the public acted the part of Santa Claus.

"Absolute" Balderdash

The "Safety First" pamphlet of the company used to sell securities spoke of the "absolute protection" security holders had in $125 lien notes being behind each $100 of money invested by the public in guaranteed investment receipts or in bonds. This protection consisted of the personal liability of the dealer and the customer, the dealer's lien on the article, insurance against theft and fire and the guarantee of Manufacturers Finance Corp. It mentioned the names of its directors as a guarantee. All proved worthless.

"Last but not least," said the pamphlet, "the corporation has made assurance doubly sure by insuring the lien notes with one of the best insurance companies in the world. This gives each receipt the final touch of absolute protection. If the dealer or the purchaser of the article fails to meet his notes the insurance company must pay the amount in full."

And yet the total recovery for all creditors, including these who are absolutely protected will not exceed $300,000, according to G. T. Clarkson, liquidator. Securities sold amounted to nearly $2.8 million, or $3.7 million if $883,340 shares exchanged for assets of other companies are included. The bondholders will get some money but the shareholders who put up $1.1 million will not get a red cent.

Financing Extraordinary

Another extraordinary move was taken by W. M. McDonald. He did not apply to the insurance company for payment under its policies when default occurred because that would precipitate an investigation by the insurance company and the whole house of cards would tumble. Without the insurance no shares could be sold to the public. He began to take renewal notes when liens were defaulted.

The "renewal" notes were not so labelled and Mr. McDonald deposited these notes with the Trust Co. Bonds and guaranteed investment receipts were fraudulently issued on the security of these renewals. In some cases as many as five of these renewal notes were deposited and bonds and guaranteed investment receipts issued whereas behind them was the security of only one piano, not five. At least $400,000 of securities were thus fraudulently issued.

All this time the directors to aid stock sales permitted the payment of high premiums to insurance companies. But while no claims were made for defaults on lien notes dividends were declared although a profit was not made except on paper in any year. Dividends amounting to more than $350,000 were illegally paid out of capital, say liquidators.

Mr. Clarkson, as liquidator, later brought an action against four insurance companies to get whatever could be gained in that way but nothing was received. Chief Justice Rose held that the writing of the policies was only induced by fraudulent misrepresentation and throughout the history of the company's relations with the insurance companies there was fraudulent concealment. The company said it was doing the collecting and it wasn't. It told later insurers that there had not been any claims on previous ones, which was literally true, but most misleading.

Editor's Note: In view of the great attention given by the public and by the Dominion Parliament and provincial legislatures to the questions of responsibilities and duties of auditors and directors, Mr. Godfrey's further remarks about N. L. Martin, auditor, and also about Senator J. A. McDonald, Hon. H. H. Stevens, J. A. Cameron, Col. Cooper, H. R. Huot and others will be dealt with in a subsequent issue.

Chemical Research Shorts May Have Been Bucketers

Final report is not yet available from U.S. Federal Securities Commission on the statement of Chemical Research Corp. officers that the present market for the company's stock was depressed by certain interests who sold 250,000 shares of stock short. It was stated that these shares have not been purchased and that they can only be obtained in the open market.

Management of the Toronto Stock Exchange investigated members' accounts, members' partners' accounts and member firms' accounts for the period from June 15 to July 19 and gives them a clean bill of health. In and out trading for this whole period only totalled 1,400 shares and there was only one short sale of 100 shares for one day. The market situation in these accounts now is "700 shares long." Only six member firms had any trading at all.

Total trading in Canada, including the three accounts mentioned, The Financial Post records show, was 58,725 shares on recognized exchanges for the period under review. These sales are outside the purview of the Exchange enquiry but it is not thought much short trading has occurred in Canada.

One authority in close touch with the situation is inclined to think little short trading will be shown on the recognized United States exchanges. He is inclined to believe that the investigation will show that a chain of bucket shops has been operating on the other side in defiance of the Washington authorities. Their operations would not show on exchanges. They can fold up quickly when prosecutions are feared.

NEGOTIATIONS FAIL, $20 MILLIONS INVOLVED IN NIPPON TRADE WAR

(Continued from page 1)

government to yield. In this regard exporting interests in British Columbia and the prairie provinces have been very active. Dr. W. A. Carruthers, of the Economic Council of British Columbia, has stated that Japan's surtax will throw 3,000 men earning $3 millions per year out of work. On the prairies the effect will be felt through loss of wheat and flour markets.

Background

The facts in the dispute are simple. Par value of the Japanese yen is 48 cents in Canadian money. It has been depreciated until it now stands at 29 cents.

The Canadian government as a part of a general policy enforced since September, 1931, imposed dump duties equivalent to this depreciation. The tariff has continued to be applied on the 48 cents value of the yen and the difference between 48 cents and the actual value, so far as payment for imports is concerned, has been collected by Ottawa in the form of a dump duty. This has denied to Japan all export advantage of depreciated currency. It has worked with equal precision against other depreciated currencies.

The Japanese government insisted that the Canadian government withdraw the currency dump, value imports for duty on the current value of the yen and permit Canadian importers to pay for the goods on this basis.

Compromise

In an effort to preserve valuable trade, a compromise proposal was worked out to apply to all countries with depreciated currencies. Mr. Bennett indicated this clearly when discussing the question in the House of Commons. He said that he realized, from League of Nations statistics, that currency depreciation had brought about higher living costs in these countries and higher manufacturing costs. To the extent that these costs had increased, the countries had lost trade advantages arising out of currency depreciation.

The precise nature of the compromise proposal made to Japan is not known but it is learned, authoritatively, that it was two-sided. Ottawa agreed to waive the currency dumps on goods of a class or kind not made in Canada. On other goods, it was proposed to decrease the dump by a percentage amount based upon the rise of living costs and prices in Japan. The League of Nations statistics would have been accepted for purposes of making the calculation. This would have meant that instead of valuing the yen at 48 cents, it might have been dropped to 40 cents, possibly lower.

Canadian industries—notably rubber footwear, silks and cottons—strongly opposed yielding to the Japanese demands. It is not evident, however, that this influence dominated the ministry. There is a much more far-reaching and fundamental principle involved. The underlying purpose of the Ottawa Agreements was to divert trade from foreign to Empire countries.

World Campaign

Japan, in recent years, has been assailing with a degree of success markets which normally were held by Great Britain. Japanese textiles drove Lancashire and Bradford out of Egypt and the Japanese government is negotiating with Australia now with the objective of displacing British textiles to as great a degree as possible. Canada appeared to be next on Japan's list.

Remedies

One remedy seriously advanced in British Columbia is an export tax on such Canadian products as asbestos, lead and zinc and metals which are regarded as essential imports of Japan. It is difficult to see how this could be effected without recourse to licensing of all such exports under a proviso that none of the material was to be re-exported to Japan.

In view of Japan's large purchases in other fields the British are also trying to find out what may be accomplished by friendly negotiation. Canada may try this after the election.

Trade Mission

A trade mission sent by the Federation of British Industries to study the possibilities of the sale of British goods in Japan and Manchuria recently reported that, instead of anything in the nature of a trade war which would be beneficial to no one, it would be better to seek a means of co-operation between British and Japanese industry. Among different ways in which such co-operation might be realized the following were mentioned:

1. By conscious directional control of exports.
2. By means of a division of markets upon a percentage or some other quantitative basis.
3. By some similar agreement on a territorial basis.
4. By mutual action to develop in co-operation some of the more backward markets of the world.
5. By agreements as to the level of export prices.
6. By some rationalization of production according to type and quality.
7. Or by joint manufacturing activities.

For international political situation behind Japan's recent move see special article on page 6 and for effect on textile trade see col. 8, first page second section.

BUSINESS RISE MORE GRADUAL IN SIX MONTHS

(Continued from page 1)

prices. The position was reversed in 1934 when the sharp advance in prices led to a new high position since Dominion issues became an important factor in the domestic market. The gain in the index of inverted bond yields was 19.5 per cent. Common stock prices, reflecting the speculator's appraisal of industrial prospects, were relatively firm throughout the period. The price index reached the highest point for nearly four years late in May.

Mining Developments

Copper exports occupied the limelight in mining with an upswing of almost 25 per cent. Nickel exports at 63.5 million pounds were also above last year. The contribution of new gold producers offset the policy adopted by the large mines of treating relatively low-grade ore, so that shipments of gold were maintained.

Economic Situation of Canada

	1st 6 Months 1935	% Change 1st half 1934
F.P. index	98.8	+ 6.9
Wholesale prices	72.0	+ 0.6
Common stocks	89.1	+ 2.3
Shs. traded Mtl.	1,767,838	— 40.2
Reciprocals Dom. bond yields	138.7	+ 19.5
Life insurance sales	181,555,000	— 3.5
*Bank deposits	104.6	+ 6.4
Copper exports, cwt.	1,771,551	+ 24.9
Nickel exports, cwt.	635,463	+ 2.4
Zinc exports, cwt.	1,399,101	+ 4.7
Gold ship., oz.	1,523,393	+ 0.3
Silver ship., oz.	5,628,471	— 15.9
*Flour, bbls.	5,142,549	— 6.0
*Rolled oats, cwt.	375,962	— 6.0
*Shoes, prs.	8,430,370	+ 17.9
Cotton impts., lb.	51,052,244	— 29.8
Wool impts., lb.	9,161,919	— 30.3
Sugar mfrs., lb.	291,101,960	+ 21.7
Newsprint, tons	1,284,903	+ 1.8
Lumber exports, ft.	587,165,000	— 6.5
Steel prod., tons	388,163	— 2.4
Iron prod., tons	259,777	+ 64.6
Auto. prod., No.	111,329	+ 35.6
Oil impts., gal.	442,622,961	+ 3.4
Rubber impts., lb.	29,938,812	— 3.4
Contracts awarded $	75,594,500	+ 24.1
Bldg. permits, $	24,629,071	+ 136.6
Ry. carloadings, No.	1,107,202	+ 1.2
External trade:		
Exports, $	305,100,000	+ 4.1
Imports, $	280,400,000	+ 5.3

* 5 months.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Nelson, B.C.	July ..	McDermid, Miller & McDermid	4½%	20-yr.	$150,000	*100	4½%
Wentworth County	July 23 ..	Griffis, Fairclough & Norsworthy	3½%	10-ins.	38,232	100.55	.....

* Offering price.

Employment Commission Appointed by Government

Premier Bennett has announced the personnel of the new Employment and Social Insurance Commission. Col. G. S. Harrington, a former premier of Nova Scotia, has been appointed chairman.

With him will be associated Tom Moore, president of the Trades and Labor Council and N. R. Baudet, of Montreal. Salaries are reported to be $10,000 for Col. Harrington and $9,000 for the other two commissioners.

EATON'S

Beat the Heat . . . in PALM BEACH!

Don't swelter on hot, humid days—wear a cool Palm Beach suit. The patented weave is open, . . . air sifts right through to cool your body. Palm Beach suits are famous for their washing qualities; too; choose a good laundry and watch your Palm Beach come back like new. Sizes 35 to 48 in greys, browns, fawns, blue-greys and WHITE.

PALM BEACH SUITS
Jacket and pair of slacks $22.50

The T. Eaton Co.—Second Floor, James Street.
Also obtainable at the Men's Shop, EATON'S-College St.

You may purchase Palm Beach suits on our Budget Plan. Our Clothing Department will be pleased to give you full particulars.

THE T. EATON Co LIMITED

DUN & BRADSTREET OF CANADA LTD.
THE MERCANTILE AGENCY
Successors to
R. G. Dun & Co. — Established in Canada 1856
The Bradstreet Co. — Established in Canada 1872
CREDIT RATING BOOKS — FINANCIAL REPORTS
16 Offices in the Dominion

"...like you comb a dog for fleas"

"Power" suggests that alert engineers are combing their plants for wasted power dollars "like you comb a dog for fleas." If you are on the hunt for power leaks, may we suggest a J-M Insulation Survey?

On these steam lines, heat losses are reduced to a minimum. Insulation is J-M 85% Magnesia.

IF modernization is planned, or actually afoot in your plant, then you are unquestionably scrutinizing pipe insulation.

Have you enough of the right kinds, and in the right thicknesses, to take care of increased steam pressures?

A little expert advice and co-operation right now will unquestionably save you a lot of time, trouble and money in the future.

Take advantage of our 75 years of research and experience in the control of heat losses.

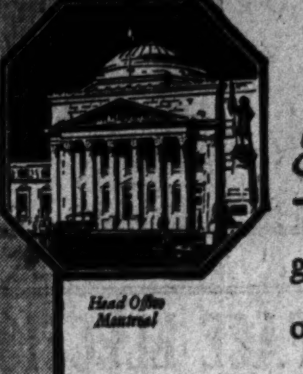
May we mail you a copy of "Johns-Manville Service to the Power Plant"? May we arrange for a J-M insulation survey, a "flea-combing" hunt for wasted power dollars in your plant? No obligation, of course. Mail the coupon.

Johns-Manville INSULATION

Check as desired, fill in balance of coupon and return to Johns-Manville, Laird Drive, Leaside, Toronto.

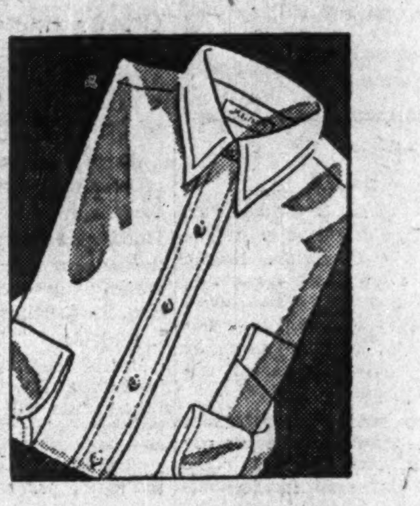
☐ We want a J-M Insulation Survey.
Send us a copy of
☐ Johns-Manville Service to the Power Plant.

Name .... Title ....
Firm Name ....
Address ....
City .... Prov. ....



Behind every branch —the full resources, organization and experience of the entire institution.

BANK OF MONTREAL
Established 1817
MODERN, EFFICIENT BANKING SERVICE
. . . . the outcome of 117 years' successful operation . . . .

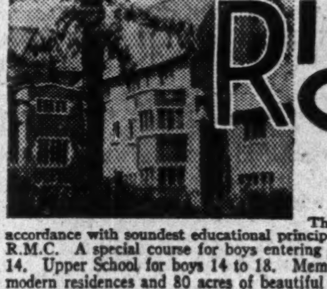


SIMPSON SUPREMACY SHIRTS 2.50

SIMPSON SUPREMACY SHIRTS are made to a standard that assures lasting satisfaction. They are faultlessly tailored from a superb two-ply white broadcloth that combines rich appearance and durability. Collars attached or separate. Various sleeve lengths. Sizes; 14 to 17. Phone orders filled, Adelaide 8411. At 2.50.

The Store for Men—Street Floor

SIMPSON'S
TORONTO CANADA



RIDLEY COLLEGE
ST. CATHARINES, ONTARIO
Canadian Residential School for Boys
Founded 1889

This School offers every facility for training of boys in accordance with soundest educational principles. Courses leading to entrance to Universities and R.M.C. A special course for boys entering business life. Separate Lower School for boys 9 to 14. Upper School for boys 14 to 18. Memorial Chapel, Swimming Pool, Covered Rink. Five modern residences and 80 acres of beautiful grounds. Small classes under personal supervision. Individual care and attention given each boy. School re-opens Tuesday, Sept. 10th. Full prospectus and information regarding Scholarships and Bursaries will be sent on request.

H. C. GRIFFITH, M.A., LL.D. . . . . HEADMASTER

Your Increase in Business will Depend on Your Financial Course

In selling heating, ventilating and air conditioning equipment Consumer Credit, on a deferred payment basis, has a very definite place. Those companies engaged in this class of business should plan a very definite financial programme permitting them to penetrate an otherwise inaccessible market.

I.A.C. facilities enable you to increase your turnover without having to tie-up working capital in long term receivables. In addition I.A.C. plans embody a well-rounded national service which includes thorough credit investigations—diplomatic but efficient collections—and additional forms of safeguards for the protection of clients' interests.

Plans are available to fit your individual requirement and extend to cover in addition to heating, ventilating, air conditioning equipment, such items as commercial and domestic refrigerators, electrical appliances, motor cars and practically any type of industrial machinery.

An opportunity to discuss your particular case, confidentially, of course, will be given immediate attention.

INDUSTRIAL ACCEPTANCE CORPORATION LIMITED

Sydney, Halifax, Saint John, Quebec, Montreal, Ottawa, Kingston, Toronto, Hamilton, London, Windsor, Sudbury, Winnipeg, Regina, Calgary, Edmonton, Vancouver

A NATIONAL SERVICE—A CANADIAN COMPANY

Sky-Line Here are a few peaks from the sky-line of Canada. From these towering monarchs of the city streets down to the residences of the people, modernized heating is bringing Economy, Control, Comfort, Cleanliness and Good Health. The buildings here represented are but a handful from among the many where heat supply is controlled automatically as the weather conditions change the demand. This is "balanced" heating. Buildings that have not modern facilities for CREATING, DISTRIBUTING, CONTROLLING and CONSERVING heat are already obsolete. Even the humble radiator has been modernized and is often concealed.

Turning on Heat in To-day's Manner

The Economic Significance of the Fact that 90 Per Cent of Our Heat-Making is Obsolete—and Why in Midsummer Heat We Must Think of Midwinter Cold

IT MAY seem funny to talk about furnaces, steam boilers and heating systems in late July.

But think back for a moment to what happened last winter (or was it the winter before?) when there were bitter complaints about the north side of your building being cold and drafty while tenants and employees in the south wing were stuffy and uncomfortable.

And do you remember the way fuel costs mounted when we had that hot-and-cold spell in late March and in December? One day it would be bitter cold in the morning and quite mild by noon. The next day quite the reverse. It seemed a satisfactory explanation that it cost more than usual to run your heating system under those conditions. But the bills had to be paid all the same.

Wasn't there some talk, about that time, of trying to work out a more flexible, economical heating system? Of course nothing could be done then, because everything was going full blast. But how about July—and August—and September? No heating problem then. Everything lying idle (except perhaps to supply routine requirements)—waiting for the cold weather to come along next fall.

The summer is traditionally the time when heating equipment is surveyed by shrewd property-owners. It is in the summer that they make certain of the efficiency of their heat-making plant. It is in the summer when they compare service against cost. And when they look to see whether or not obsolescence has stolen a march on them.

• • •

Obsolete After Ten Years

IT IS news to most people that heating systems installed as recently as ten years ago are obsolete today. Depreciation may have taken a small toll over the decade, but invention has so materially reduced operating costs and increased comfort possibilities as to make many a ten-year-old installation an ungovernable glutton for fuel when judged by 1935 standards.

A distinction is clearly seen in this particular industry between "depreciation" and "obsolescence." To the extent that a ten-year-old heating installation is less efficient today than when installed, depreciation is responsible. But in so far as the same installation was less efficient when first made than is present equipment, obsolescence is responsible.

And this obsolescence is of course the price of progress and the ultimate cost of invention in industry. The rate at which the products and services of any single industry grow obsolete is thus a measure of the success of that industry in achieving efficiency.

Heating has been speeded by this lusty motive power of progress — obsolescence. Wherefore almost 90 per cent of existing buildings are using obsolescent heating equipment. Not all of these would find it profitable to make a change but when scores of firms are actually able to cut their heating costs from 15 to 40 per cent annually (the average is about 25 per cent) by a "change-over" to up-to-date equipment, the possibilities in this particular field are obvious.

• • •

Four Problems in Heating

THE heating problem really centres around four significant questions.

First, the question of how to MAKE HEAT. That is, what sort of fuel should be used and what sort of equipment should be used to get the best results from that particular fuel.

Second, how best to DISTRIBUTE and CONTROL the heat so as to get the utmost in efficiency and comfort.

In both fields, science and engineering have gone hand in hand so that obsolescence—particularly since the war—has far outstripped depreciation. Not only do we get substantially more heat from a given amount of fuel than could be obtained twenty-five years ago, but we are devising ways and means of using alternative and cheaper fuels with great success, through the use of better boilers and furnaces, and automatic stokers and similar devices to improve combustion.

Then too, striking advances have been made by the development of accurate, automatic control devices which aid in uniform supply and distribution of heat. New methods have been devised to achieve proper balance between the supply of heat on the one hand, and the demand for it, on the other. Better ways have been found for circulating and purifying the air and also for controlling its humidity, which have led to such phenomena as modern air conditioning discussed in this series on June 22.

A third phase of the heating problem which has played a part in adding to comfort and health and brought about further savings in cost is what might be termed the CONSERVATION of heat, once it is distributed throughout the building. This has been achieved by better methods of construction; by application of new materials and improved types of insulation; by weatherstripping, improved glazing and so forth.

A fourth phase that might properly be included is that of the DESIGN or APPEARANCE of the radiator or other heater unit that actually delivers the heat to the individual rooms. The old iron radiator is archaic. Today heating units can be concealed behind chaste grilles and yet produce more efficient distribution of heat throughout the entire room. This is more than a problem of interior decoration. It is the result of basic research into the heating units as such. New scientific principles of air circulation are used. For instance, instead of radiating heat into the room, some new units heat the air and circulate it by the creation of the natural currents set up.

• • •

Automatic Stoking

CANADIANS are permanently faced with the problem of heating their buildings for a period from seven to eight months of every year. The vast majority of these buildings burn coal in some form or other to derive the heat required to keep the buildings warm during the heating season. So to most property-owners the first point of saving is the way in which we shovel that coal into the furnace. Practically every new building of any size now installs some type of automatic stoker to replace the hand-stoking of earlier days.

Chief advantages are:

First, a saving in tonnage of fuel consumed, averaging about 20 per cent;

Second, the use of a much cheaper type of fuel, formerly regarded as unsuitable;

Third, completely automatic control of heat supply;

Fourth, elimination of the smoke nuisance.

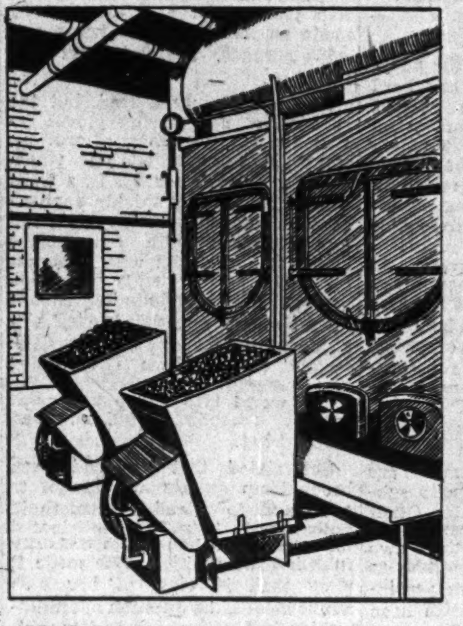
Fifth, a substantial saving in labor.

The actual saving in cost may be placed conservatively at from 15 to 25 per cent with 20 per cent as an average figure. In residences, etc., where the stoker permits the elimination of the more expensive fuels the savings can be greater. The extent of saving depends primarily on the efficiency of the previous stoking system. If you have had a first class man doing the job, your savings may not be great. If your fireman is only average or under par, your savings will be substantial. Good manual stokers are usually scarce—particularly in good times.

Considerable savings can also be made by changing old stokers to more modern types or types better suited to the nature of the load. For instance a Prairie Province hospital (already using automatic stokers) found that by replacing the old equipment with new stokers it could use Alberta coal instead of more costly imported fuel. Substantial savings were effected.

• • •

Obsolete



Modern

Not the least of the advantages of modernized heating equipment is the fact that greater cleanliness is possible. The hot, perspiring stoker, working amid grime and smoke, is rapidly vanishing. Modernized heating ends too the nuisance of heavy clouds of smoke issuing from chimneys and stacks.

In Old Buildings

WITH the building lull of recent years, makers of automatic stokers have made a concerted drive on existing buildings. A few years ago a city like Toronto would have had but few automatic systems in the rank and file of buildings. Today about 50 per cent are so equipped and the number is growing rapidly. The basis on which sales are made is that the installation will pay for itself in a few years.

The old-fashioned and expensive hand-fired method of burning coal is now unnecessary due to the advent of the modern automatic coal burner or stoker. The automatic stoker combines economy and efficiency in the burning of coal, it allows the use of the less expensive grades of bituminous coal, maintains automatically any desired boiler pressure or room temperature, practically eliminates the issuing of smoke from the stack, keeps heating surfaces clean and requires a minimum of supervision. As we have seen, the savings effected by stoker firing over hand-firing are accomplished in two ways:

First: by a substantial reduction in tonnage of fuel consumed; the average being approximately 25 per cent.

Second: The smaller and less expensive grades of bituminous coal are used instead of the more costly larger sizes of bituminous coal or anthracite.

The pressure of obsolescence has been important. Office buildings, for instance, in an average Canadian city pay out 15 to 20 cents of every dollar of revenue, for heating costs. Naturally a new building, or one fitted with modern equipment which can cut heating costs by 20 or 25 per cent is much better able to compete in respect of rentals—quite apart from other advantages of comfort, health and similar important sales arguments.

The civic pride of every city is awakening; a city with smoking chimneys and stacks cannot be kept clean and beautiful. The automatic stoker is performing a very definite service to every community by elimination of the smoke nuisance. It is being readily accepted by the Canadian people as the ideal method of burning coal.

• • •

Scientific Distribution

EQUALLY important savings can be made by use of modern equipment to control and scientifically distribute the heat.

Many years ago one could buy a thermostat for the individual radiator but it is only within the past ten years that systems have been devised to control automatically the entire heating system in a building. Here was the answer to the "all-or-none" methods of heating a building where ample heat might be available for the coldest days but it was almost an impossibility to cut down the supply during average or mild weather.

Since most buildings and institutions and even large houses use steam to distribute heat, the temperature of the steam itself enters this process of control. It is now common practice to circulate steam at less than atmospheric pressure and thus to reduce its temperature until, in milder weather, a radiator may be completely filled with sub-atmospheric steam at a temperature of only 133 degrees Fahrenheit in contrast with the 212 to 227 degrees of steam radiators a decade ago.

• • •

Flexibility Counts

A SIMPLE explanation of this phenomenon is the schoolboy explanation of the mountain-climber's egg. People who live in high altitudes or who do mountain climbing find the conventional three-minute egg a very soft-boiled specimen at high altitudes. The reason is that on a mountain there is less weight of atmosphere resting on the water. Under this lower pressure the water will boil and produce steam at a lower temperature than at sea level. Thus the modern heating system has applied this principle and actually delivers "mountain-top" steam or ordinary "sea-level" steam, to the radiators, in accordance with the needs of the weather.

The virtue of this type of heating is of course its flexibility. The steam is continuously circulating in the radiators without interruption but control is achieved merely by changes in steam pressure. Besides greatly adding to comfort, this type of heating is considerably more efficient. It was first tried out in new buildings and though it increased installation costs by about 10 per cent it cut operating costs by as much as 25 per cent. Ability to maintain a high saving ratio such as this, meant that existing buildings became obsolete in terms of the new standards of heating costs and comfort.

• • •

Big Savings Seen

ACTUAL records are available to show fuel consumption in typical buildings before and after such systems were installed. These give a practical yardstick of obsolescence. Thus a Toronto apartment house, erected 9 years ago was equipped with the then most efficient type of steam heating system available. In a normal heating season it consumed 459 tons of coal. In 1931 a sub-atmospheric steam system was installed and fuel consumption for a normal heating season dropped from 459 to 310 tons.

The actual saving here was sufficient to liquidate the investment in new equipment with four heating seasons. Additional advantages are of course increased tenant satisfaction and improved ability to compete with newer structures.

Another typical installation was a large city office building which formerly consumed 351 tons of coal in a normal season and now consumes 265 tons.

At a recent convention a company installing this type of equipment reported one group of 9 Canadian office and apartment buildings consumed 4,449 tons of coal per year before and 3,313 tons after modernizing. The annual saving for the group was $6,800. Another group of 4 buildings consumed 71,700 gallons of oil annually before, and 52,800 gallons afterward. The annual saving here was approximately $2,000.

• • •

Modernize or Lose Out

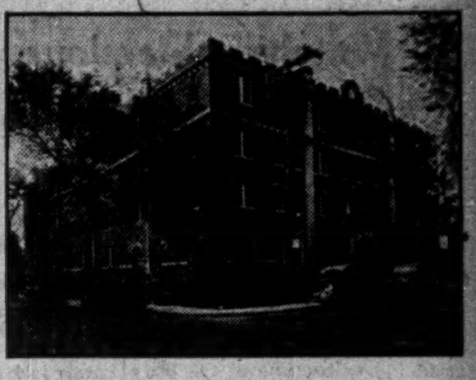
ONE of the impelling reasons why heating plants have "gone modern" at an incredible rate in the past few years has been the all-compelling influence of "depression."

There seems to be an inborn tendency in company executives to look upon their steam and heating plants as necessary evils—dark and dirty places in the back-yard or in the cellar—a department which costs a lot of money and from which there is little or no relief.

Science and engineering—hand-in-hand—have made amazing strides toward solving these problems of the "underworld" in the past decade and it has taken the bitter dregs of financial depression to make many firms realize how important are these savings and improvements that have been made as far as THEIR particular building is concerned.

Now, as we enter the recovery phase of the business cycle, the upward sweep of obsolescence is becoming daily more urgent. New buildings cheaply and uniformly heated are springing up, and old ones have but two alternatives—either to modernize or slip rapidly back.

It pays to talk about your "underworld" in summer time.

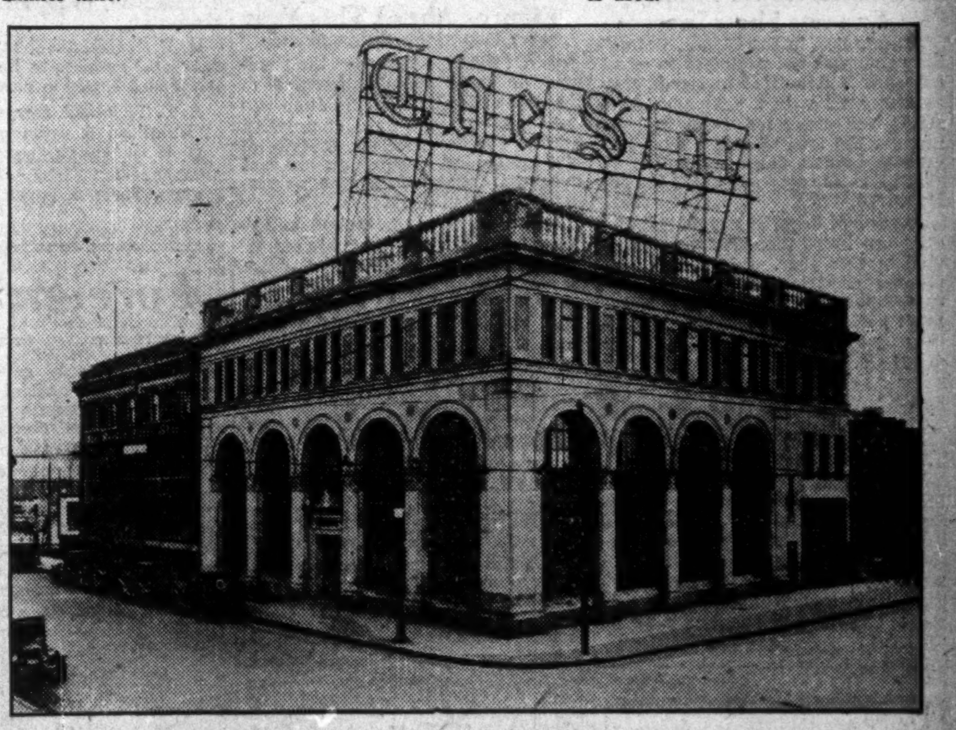


Modern In every respect the heating of this apartment has been modernized. The cheapest possible fuel provides the maximum of controlled heat supply to every room at a minimum of cost.

Saving Money saved in heating costs in public buildings is money saved for every tax-paying citizen. Everyone benefitted when installation of stoker equipment reduced the annual average fuel cost in this county court house from $1,940 to $1,310.

Comfort Where shoppers are comfortable they do not hurry their purchasing. So it is important that the distribution of heat to every part of this Canadian department store is controlled automatically with constant adjustment to outside temperatures.

Control Completely automatic control of heat manufacture at all seasons of the year was once the missing factor in burning coal in residences. But modern heating provides such control whether coal or any other fuel is used.



Big Cut How many extra columns of news can be published for $1,358 a year? In this Canadian newspaper office, installation of modern stoker equipment reduced the annual fuel bill from $2,430 to $1,072. Modernization pays.

Pleased Patrons Winter travellers demand enough heat—and no more—in hotel bedrooms. Here the exactly requisite amount of heat is supplied automatically—and at a great saving over former fuel-burning systems.

ONE of a series of articles indicating in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canadian industry.

These forward-looking firms and institutions are making possible this constructive series:

ANACONDA AMERICAN BRASS LIMITED
Rustproof Copper, Brass and Bronze

BELL TELEPHONE COMPANY OF CANADA
"Continuous improvement in telephone equipment has made Canadians the world's greatest users."

CANADA CEMENT COMPANY LIMITED
"Modernize with Concrete."

CANADIAN BUSINESS EQUIPMENT MANUFACTURERS' ASSOCIATION
"Organized for Greater Service to Canadian Business"

CANADIAN INDUSTRIES LIMITED
"Cellophane" Division
"Cellophane" the modern packaging medium

CANADIAN JOHNS-MANVILLE COMPANY LIMITED
"Specialists in Insulation"

COMBUSTION ENGINEERING CORPORATION LIMITED
Steam Plant Specialists
"Modernize and Save Money"

CRANE LIMITED
Valves Fittings Piping
Plumbing and Heating

DOMINION ENGINEERING WORKS LIMITED
Montreal - Toronto - Winnipeg - Vancouver
"Builders of High Grade Machinery"

C. A. DUNHAM CO., LIMITED
"Dunham Differential Heating"

FRID CONSTRUCTION COMPANY LIMITED
Hamilton, Ontario
General Contractors

GENERAL MOTORS OF CANADA LIMITED
"An eye to the future— An ear to the ground"

GOODYEAR TIRE & RUBBER COMPANY OF CANADA LIMITED
"Goodyear Means Good Wear"

INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED
Nickel - Inconel - Monel Metal

LIVINGSTON STOKER CO. LIMITED
Hamilton, Ontario
"Canada's finest automatic coal burner"

NATIONAL STEEL CAR CORPORATION LIMITED
Hamilton - Montreal
"Specialists in Transportation Equipment"

THE OFFICE SPECIALTY MANUFACTURING COMPANY LIMITED
Filing Systems and Office Equipment

PAGE-HERSEY TUBES LIMITED
Steel Pipe
Genuine Wrought Iron Pipe

W. E. PHILLIPS COMPANY LIMITED
Pioneers in new applications of Flat Glass

PIGOTT CONSTRUCTION COMPANY LIMITED
Hamilton, Ontario
"Builders in Stone"

ALUMINUM COMPANY OF CANADA LIMITED
"This is the age of Aluminum"

London Calling

Watching Elections
Wheat and Meat Imports
Hart House Quartet
New Buchan Book

From Our Own Correspondent

LONDON.—It is not here these days, but political, social and economic activity has by no means assumed the wilted rôle of the body physical. It is a period of intense anticipation. Our own election is still a possibility this year, but a member of the Government assured me today that it would not come in October as had been forecast. Abyssinia, too, is a speculative factor and has had profound reflections in London, while the imminence of the Canadian elections adds its quota to the general element of uncertainty in imperial affairs.

THE CANADIAN ELECTIONS

The Canadian elections are likely to be watched with greater interest than ever before. The intervention of Hon. H. H. Stevens has been invested with all the significance which a fairly intimate knowledge of his personality on this side of the Atlantic encourages. The London opinion is, however, that his move comes a little too late to affect seriously the issues at the election.

THE WHEAT SITUATION

In the meantime, there is a disposition to give great weight as a political factor to the wheat situation. Rumors of difficulties of at least one important firm in Liverpool brought the agricultural situation in the West very near home and now reports of a bulky United States harvest have introduced a further disturbing element. The one reassuring factor, indeed, has been Mr. Bennett's assurance that Canada will not dump. It has been more and more clearly realized here that, short of an enormous increase in the consumption of bread with a large quota of Canadian flour, the only means of assisting the Canadian producer is to impose a heavy tariff on foreign grain. I understand that this suggestion has been seriously put forward in ministerial circles, but it is extremely doubtful if any administration would face the charge—however fallacious—that it was making the loaf dearer. The whole wheat situation, indeed, is so interknit that it is almost impossible for the layman to diagnose the problem.

MEAT AND MILK

The meat talks between the British Government and the Dominions have produced no results of any particular value to the Dominions. A memorandum on the subject will be published officially very shortly and until then only the vaguest reports of the proceedings have been made available. Canada, however, can hardly look for any substantial benefits.

The complexity of the food situation is also illustrated in the case of milk. The working of the Milk Board here has been subjected to so many criticisms that it is very likely a poll on the question of its continuance will be taken in August.

* * *

HART HOUSE

Arrangements have been made for a visit to this country in the autumn of one of the most famous string quartets in the world—the Hart House String Quartet of Canada. Founded some years ago by the Hon. Vincent and Mrs. Massey, its members—Geza de Kresz, leader; Harry Adaskin, second violin; Milton Blackstone, viola, and Boris Hambourg, 'cellist—have travelled in all parts of Canada, America and this country and are exponents of the finest in Canadian musical achievement. Some of their records are in the possession of the Prince of Wales. They are expected to reach this country in September and during that month they will appear in London, in all probability in a joint recital with Myra Hess. It is expected they will also broadcast.

CANADIAN FINANCE

There has been an improvement in the general attitude of the city toward Canadian finance during the past few weeks. What the reception of a big Canadian flotation would be has still, however, to be tested. Particular significance attaches therefore to moves which are now being made with a view to making a flotation in London for certain Western Canadian interests in the near future.

THE NEW GOVERNOR-GENERAL

Lord Tweedsmuir, (John Buchan) Canadian Governor - General - elect, is at present working on "The Life of the Emperor Augustus." This may, or may not, be completed before he goes to Canada. If it is, it will be his last work as an author during the term of his Governor-Generalship. He tells me he is looking forward immensely to living in Canada. It will certainly be a relief from the toil and turmoil of the last few weeks. During the past two months, he has had to attend some forty functions and make speeches at almost all of them.

Canal Traffic Affected By Lower Wheat Shipments

Freight passing through the Welland canal in June amounted to 1,071,997 tons, a decline of 13 per cent from a year ago. Decreases in shipments of wheat, rye and iron ore much more than offset increases in pulpwood, wood pulp and barley.

The lightest June wheat movement since 1921, together with substantial decreases in iron ore and bituminous coal, brought shipments through the Sault Ste. Marie canals from 7,901,370 tons in June, 1934 to 7,057,730 tons this year. Traffic through the St. Lawrence canals was not as adversely affected, the decline being only from 901,255 tons to 882,062.

Fish Catch Lower in May Exports Show Increase

An increase in the British Columbia catch was not sufficient to offset a decline in Atlantic fisheries in May as compared with a year ago. As a result the combined catch fell by nearly 9,500 tons to 44,895 tons. Aggregate landed value amounted to $1,843,100 as against $2,271,800 in May, 1934.

Exports of fisheries products, however, continued the gains shown previously this year. In the first five months exports totalled $7,827,400, as compared with $6,336,500 in the same period last year. May figures rose from $1,044,080 in 1934 to $1,337,060.

Dominion Coal Stock Called For Trading

From Our Own Correspondent

MONTREAL.—Dominion Coal Co. Ltd., 6 per cent sinking fund preferred shares, $25 par value, have been called for listing on the Montreal Stock Exchange. Of an authorized total of 400,000 shares, 240,000 have been issued and listed at this time. Ticker abbreviation will be "DCPr."

Favored Nation Rating For U. K. and South Africa

Orders - in - council have been passed extending Canadian customs most-favored-nation treatment to the United Kingdom and the Union of South Africa, effective July 1. It is believed that the practical effect of this concession will be small as existing British preferential duties are for the most part as low as, if not lower than, those accorded any other nation. Some items are included in the French and Polish trade pacts at customs rates less than the British preference, but these are considered specialties of those countries in which empire countries were not interested.

Halifax Cargo Tonnage Figures Ahead This Year

From Our Own Correspondent

MONTREAL.—Though the volume of cargo tonnage handled at the port of Halifax during June was less than a year ago, cumulative figures for the first six months of 1935 continued to show an increase over that reported for the corresponding period of 1934.

According to report issued by the Halifax Harbor Commissioners, there were 108,315 tons of cargo handled at the port last month. This compares with 142,231 tons in June, 1934, and 109,457 tons for the same month in 1933.

Cumulative returns for the first six months of the current year show total cargo tonnage handled inward and outward, of 1.2 million tons. For the same period in 1934, the tonnage handled was 1.1 million and in the first half of 1933, 750,968 tons.

Weekly Bank Clearings

	July 18 1935 $	Change year ago %	July 11 1935 $
Halifax	$ 2,129,923	— 7.2	2,514,148
Saint John	1,720,039	— 1.2	1,734,850
Moncton	846,136	+ 17.6	713,109
Sherbrooke	597,353	+ 6.2	695,831
Quebec	4,796,950	+ 10.0	4,315,789
Montreal	86,879,290	— 0.9	84,035,934
Ottawa	14,202,740	+228.2	30,360,387
Kingston	486,871	— 6.4	627,180
Peterborough	629,893	— 6.1	781,343
Toronto	101,967,964	+ 2.1	105,083,795
Hamilton	3,641,732	+ 4.6	3,900,054
Kitchener	878,280	— 11.6	895,461
Brantford	818,798	+ 3.4	1,082,208
London	2,621,370	+ 18.2	2,823,562
Chatham	371,019	— 5.8	453,290
Windsor	2,186,328	+ 8.3	2,033,512
Sarnia	480,867	+ 15.3	504,992
Sudbury	763,237	+ 6.1	755,149
Ft. William	614,524	— 1.7	597,788
Winnipeg	39,893,054	— 39.2	52,378,821
Brandon	238,676	— 8.4	353,825
Regina	3,566,448	+ 13.3	4,024,951
Lethbridge	423,950	+ 20.2	441,573
Moose Jaw	444,175	— 1.2	469,520
Saskatoon	1,410,923	+ 14.8	1,473,610
Pr. Albert	348,744	+ 21.6	350,342
Edmonton	3,582,049	+ 8.3	3,771,641
Calgary	5,245,887	— 2.6	5,822,896
Medicine Hat	268,905	— 4.5	259,208
N. W'minster	415,743	— 4.3	496,795
Vancouver	14,354,114	— 4.6	11,565,982
Victoria	1,472,759	+ 4.9	2,105,965

Public Utility Earnings

Southern Canada Power

JUNE—	1935 $	1934 $	Increase $
Gross earn.	168,584	176,102	*7,518
Oper. exp.	67,083	65,705	1,378
Net earn.	101,501	110,397	*8,896
NINE MONTHS—	1935 $	1934 $	Increase $
Gross earn.	1,599,434	1,645,308	*45,874
Oper. exp.	629,957	593,990	35,967
Net earn.	969,477	1,051,318	*81,841

*Decrease.

Brazilian Traction

June:	1935 $	1934 $	Increase $
Gross earn.	2,583,175	2,607,818	*24,643
Oper. exp.	1,158,295	1,210,456	*52,161
Net earn.	1,424,880	1,397,362	27,518
Six Months:			
Gross earn.	15,212,387	14,450,448	761,939
Net earn.	8,184,305	7,348,406	835,899

NORTHWESTERN UTILITIES LIMITED

15-year First Mortgage Sinking Fund Bonds, Series A

7% to June 1, 1938—6% thereafter to maturity, June 1, 1949

Net income in 1934, before provision for amortization and depreciation, was equivalent to 2½ times bond interest requirements.

PRICE: 100, to yield 6.44%

Send for descriptive circular

NESBITT, THOMSON and Company Limited

355 St. James St. W., Montreal

Branches in all the principal cities of Canada

211

Bank Chat

Japan in Latin-America

THE Japanese government is understood to be behind the move of the Yokohama Specie Bank in sending a representative to Latin America. The object is to make a detailed study of the economic and financial position of South America with a view to opening branches. The government is interested, of course, in the possibilities of trade expansion, which would be financed through the bank.

* * *

More Branches in U.S.

RATHER an interesting development in United States' banking is the increase in the number of banks operating branches. "Branch banking systems" increased by 140 during 1934, bringing the total at the year end to 715. The movement seems to be concentrated in the states of Wisconsin and Iowa, where about half of the expansions have taken place. The number of branch banks also increased during the year from 2,752 to 2,973. Which leads one to suspect that the numerous failures of smaller banks in the depression years have soured the States on the existing set-up. Further, is this development indicative of a trend from a great number of small banks scattered throughout the country to a system more along the lines with which we in Canada are familiar?

* * *

Reputation

STRANGE, isn't it, how the public conception of a banker as a hard, grasping sort of person persists. Back in the days when melodrama was melodrama, the villian of one play was cast in the rôle of a banker. As the performance progressed he had the pleasure of placing the bewitching heroine under a decending elevator, throwing her from a bridge, tying her to railway tracks and performing various other chivalrous deeds. The success of the play was assured, one banker is led to remark, because his actions conformed so well to the audience's preconceived ideas of a banker's nature.

* * *

U. S. Subsidiaries

THE Bank of Montreal and the Canadian Bank of Commerce are the only Canadian banks with subsidiaries in the United States. Other Canadian banks have agencies or branches there, but only these two have subsidiaries incorporated as state banks. Both of these are incorporated in California with head office in San Francisco. The Canadian Bank of Commerce, California, also operates a branch in Los Angeles. Between them, the two institutions hold most of the capital, deposits and total resources of the foreign banks in that state. In fact, the Commerce subsidiary reports more deposits and greater total assets than any other foreign bank or trust company in the States. This bank ranks tenth of the 157 California state banks in amount of total resources. The Bank of Montreal stands 22nd on this list.

* * *

Staff Changes

The Canadian Bank of Commerce announces the following changes in staff:

G. L. WAUGH, formerly manager at Kitchener, to be manager at Chatham.

T. P. MACKENZIE, formerly manager at Ottawa to be manager at Hamilton.

J. L. THOMPSON, formerly manager at Midland to be manager at Kitchener.

E. J. BEGER, formerly assistant inspector at Hamilton, to be manager at Midland.

A. G. MORDY, formerly manager at Chatham, to be manager at Ottawa.

H. B. WILLIAMS, formerly manager at Napanee, to be manager at Bloor and Dufferin branch, Toronto.

A. E. TAYLER, formerly manager at Hamilton is retiring on pension.

H. R. H. CHALLENOR, formerly manager at Bloor and Dufferin branch, Toronto, is retiring on pension.

Feminine Finesse

Absorbing Story of Carefully Devised Fraud Outlined in Third Volume on Bank of Commerce

A most interesting story of finesse in bank robbery is told by A. St. L. Trigge in the third volume of the History of the Canadian Bank of Commerce. Not only does it illustrate the methods used by a very enterprising woman to hoodwink the bankers but it also serves as an example of the interesting style and readability of the book.

The incident occurred back in 1922 when a series of daring bank robberies had taken place in the prairie provinces near the United States border line. As a result, a vigilant watch was kept and every precaution taken by the banks to frustrate all possible attacks. The story as told by Mr. Trigge is as follows:

The Game Begins

A bachelor farmer who had advertised for a housekeeper was surprised to have an applicant for the position present herself in person, arriving in an automobile borrowed from a rancher (as it was found later) who lived about 140 miles away. The woman was not such a person as one would expect to be seeking so humble a position. Her opening salutation was, "I am here in answer to your advertisement." She had a striking and rather attractive personality, and immediately made an impression by her air of self-assurance, aggressiveness and initiative.

She was plainly attired, but the removal of her driving gloves revealed a dazzling glitter of precious stones in valuable settings which literally covered her hands, a wrist watch and bracelet thickly encrusted with diamonds, while her head was bedecked with two combs which also glistened with apparent diamonds. She evidently concluded that she could confide in her listener for she at once proceeded to tell him confidentially that she was a wealthy society woman from the United States, seeking a short rest from the social world into which her great wealth, recently acquired, had plunged her.

She stated that she had been brought up quietly and taught to cook and to attend to household duties and therefore anticipated that she would have little difficulty fulfilling the position. She made it clear, however, that in view of her ample means, the question of remuneration had no bearing on her willingness to take the position but that what she wanted was plenty of spare time and a day or two off whenever required. On this understanding the bargain was struck.

On the day set she was met at the station by her employer with his large touring six cylinder automobile. Her luggage consisted of only a small black handbag and a sewing basket on a high stand. For two weeks she remained quietly on the farm, and proved to be an excellent cook and housekeeper as well as an expert mechanic, with a surprising fund of knowledge regarding the mechanism and handling of automobiles. She spent many evenings in recounting, in a quiet but amazingly convincing way, the story of her past life, her great wealth and how it had come to her.

Groundwork

She mentioned deposits of from $270,000 to $300,000 in various banks in the United States, which were the proceeds of her late husband's timber holdings and of recent sales of ranches which formed part of her father's estate. She told of extensive ranch holdings in South Dakota. She took particular delight in describing a huge steam automobile and telling of its silent engine, speed and immense power. The total of her wealth must have amounted to about $1 million.

Her excellent knowledge of automobiles soon obtained for her the privilege of driving her employer's car, in which she made numerous trips to the near-by village. Her personality and deportment were noticed immediately and excited the curiosity of the villagers, which was, however, soon satisfied, as she lost no opportunity of displaying the jewellery and telling of her car and other belongings. She soon became the centre of such social activities as are to be found in small villages. She attended the ladies' aid meetings, teas, at homes and church socials. Yet her hours of recreation were not spent wholly in motoring to the village, but were used to explore wide territories surrounding it and in a remarkably short time she had a thorough knowledge of all the roads and byways in the vicinity.

Down to Business

About two weeks after taking up her duties as housekeeper, she called at the bank, accompanied by her employer, who introduced her to the manager. To him she revealed in full detail, in the presence of her employer, the particulars of her wealth. As she explained in an apologetic way, her visit was with a view to seeking financial advice as to her existing investments and getting trustworthy information as to future ones. Three other interviews were later arranged by appointment, each of which was spent by the manager in discussing and probing her financial affairs. In the course of these, this woman of self-reputed wealth, but humble employment, displayed wondrous acumen in discussing business matters or her alleged possessions. She never faltered or vacillated in her answers to the most intricate questions with which she was plied when suspicions were aroused, but finally when she seemed to conclude that her financial position had been thoroughly explained and grasped, she asked the banker to negotiate two of her cheques on small banks in the United States, one for $150,000, the other for $107,000, explaining that she would not require that amount of cash, but was desirous of having the bank invest the money in good bonds and stocks.

The cheques were duly forwarded for collection. In the meantime, another interview was courteously accorded her, at which she produced a large package of documents, some of which proved to be mortgages on properties in Canada, drawn up by a well-known lawyer. These she desired to place in a safety deposit box in the bank vault which she wished to rent in her own name, and which she had, on two previous occasions, said she desired to inspect. She explained that it was essential that the repository for her valuables should be undoubted for strength and safety against expert burglars. She made a further effort to inspect the bank vault by making out her will, which she desired the manager to draft in proper legal form, and then asked to be allowed to place at once in a safety deposit box with her own hands. An inexplicable feeling of mistrust led the manager to prevail upon her to defer the matter of renting a safety deposit box until other valuable papers from the United States arrived which she said she had already given instructions to have forwarded direct to the bank.

"Business" Trips

A month had almost elapsed since her arrival and she was an ever-increasing enigma. Those who had heard of her but had not met her, freely advanced the opinion that her mind was deranged, but those who had talked to her to any extent were convinced that she was an extremely clever woman with a purpose. Many letters, telephone messages and telegrams were received by her, for which she called daily at the village, using her employer's car. These messages she said were connected with her properties in the United States. On three different occasions she produced telegrams requesting her to leave immediately for Dakota to attend some important business connected with her private affairs. In each case after receiving these messages she departed for a period of three days. On more than one occasion she made it known that she would shortly be leaving to bring up her big car and that she would then make the villagers sit up and take notice.

She tried to persuade her mystified employer to sell his ranch without delay and to accompany her to the States, where he would be made manager of one of her largest ranches. As an inducement and guarantee of good faith she offered to deposit $10,000 to his credit in the local bank as soon as the money could be sent up from the United States. She invited the manager to take a ride with her in the large car when it arrived, to visit her properties in Saskatchewan. While she remained in the position of housekeeper, she refused to accept any money for her services and throughout her stay bought fuel for the automobile when she drove it, groceries and other articles for the house, for all of which she refused to be reimbursed. Two days after drawing the large cheque from the United States bank, she departed again in response to another telegram requesting her presence immediately in the United States and she finally vanished the romancer and woman of mystery who has never since been seen by her acquaintances of that month.

The Sequel

The sequel of the story was that the cheques on the United States bank were returned marked "no account." The day after her disappearance it was learned that she never had any money in either of the banks. From seemingly authentic information since obtained, it was clearly proved that she was the exceedingly clever advance agent for the gang of bank robbers who were operating along the United States frontier at that time. The dates of her disappearances while acting as housekeeper coincided exactly with the dates of four of the bank robberies which had taken place and it was generally believed that she was the driver of the automobile used in the robberies which was said to be a steam car.

Bank of Canada Weekly Statement

Few material changes are revealed in this week's statement of the Bank of Canada. Deposits are down from a week ago, Dominion government by about $1 million, and chartered banks by about $6.5 millions. On the other hand, short term Dominion government securities held decreased about $4 millions, and advances to chartered banks, shown for the first time two weeks ago, have been paid off.

Balance Sheet

Weeks Ending:	July 17 $	July 11 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	76,860,415	76,882,077
Dep.: Dominion	34,457,473	35,435,569
Banks	176,641,455	183,168,815
Other	658,996	919,777
Total deposits	211,757,923	219,524,161
Sundry liab.	2,982,000	4,222,375
All other liabs.	721,787	954,821
Total liabilities	297,322,126	306,583,434
Assets		
Reserve: Gold	180,043,485	180,179,470
Silver bullion	1,213,080	1,184,071
Res. in sterling	251,638	211,357
Res. in U. S.	13,698,430	13,895,536
Res. elsewhere	4,189	4,189
Total reserve	195,210,822	195,474,623
Subsidiary coin	324,978	354,775
Adv. to Govt.	4,224,500	4,222,375
Adv. to banks	......	1,000,000
Investments:		
Dom. govt. short.	15,161,247	19,031,987
Other Dom. govt.	79,902,815	79,902,815
Total invest.	95,064,062	98,934,802
Premises	116,232	115,916
All other assets	2,381,532	6,480,943
Total assets	297,322,126	306,583,435
Reserve ratio	66.60%	64.52%

Foreign Exchange Markets

LATEST attack on the Dutch guilder and official departure of Italy from its bogus gold standard indicate the underlying strains on the gold currency group. If prolonged extraordinary expenses are incurred by Italy in connection with the Ethiopian friction, inflation is expected to develop. Concealed inflation through an unbalanced budget is believed to be operating in Germany. It also is masked behind a thin disguise of gilt.

Recent steadiness of sterling against American dollars has helped Canada's dollar to remain steady. It is believed that the sterling control fund is working to maintain present levels. Noteworthy, however, autumn is normally the season of weakness for sterling. Abnormal influences, however, may keep the seasonal weakness from being marked.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	July 16	July 17	July 18	July 19	July 20	July 22
U. S. dollar, High	.5906	1.00 1/32	1.00 1/16	1.00 1/16	1.00 1/16	1.00⅛	1.00⅛
Low	.5906	1.00⅛	1.00	1.00 1/32	1.00⅛	1.00 1/16	1.00 1/16
1934, High	.5906	.98 11/16	.98 11/16	.98 11/16	.98 13/16	.98 11/16	.98 11/16
Low	.5906	.98 11/16	.98⅞	.98 11/16	.98 11/16	.98⅝	.98⅝
U. K. pound	4.8665	4.96¾	4.97	4.96½	4.96¼	4.97	4.96¾
Argentina	.4246	.2662	.2654	.2664	.2664	.2663	.....
Australia	4.8665	3.9683	3.9683	3.9641	3.9642	3.9690	3.9671
Austria	.1407	.1907	.1908	.1909	.1908	.1907¾	.1907
Belgium	.1392	.1694	.1695	.1695	.1694	.1693½	.1692½
Brazil	.1963	.0540½	.0540¾	.0550¾	.0551	.0550½	.0551
Czechoslovakia	.0296	.0420½	.0419½	.0419½	.0418¾	.0419	.0417
Denmark	.2680	.2217¾	.2218½	.2217½	.2215½	.2217	.2218¾
France	.0392	.0664	.0664½	.0665¼	.0664	.0664	.0663
Germany	.2382	.4045	.4049	.4053	.4049	.4047	.4035
Greece	.013	.0095¼	.0095⅛	.0095⅜	.0095¼	.0095¼	.0094⅞
Holland	.4020	.6832½	.6832½	.6839	.6331	.6815	.6774
Hungary	.1749	.2883¾	.2979½	.2895	.2983½	.2988	.2983¾
India	.3650	.3781¾	.3772¾	.3780	.3775	.3783½	.3782½
Italy	.0526	.0825	.0826¼	.0827½	.0828	.0827	.0826¾
Japan	.4985	.2928½	.2930	.2924	.2923½	.2928	.2930
Jugoslavia	.1929	.0231	.0232	.0231	.0231	.0231½	.0230½
New Zealand	4.8665	4.0083	4.0082	4.0042	4.0042	4.0090	4.0071
Norway	.2680	.2496	.2497	.2496	.2495	.2495	.2497
Poland	.1122	.1908	.1908	.1909	.1909	.1908	.1907
South Africa	4.8666	4.9454	4.9454	4.9404	4.9404	4.9463	4.9437
Spain	.1929	.1375¾	.1397	.1378½	.1376¾	.1376¾	.1375
Sweden	.2680	.2561	.2562	.2561	.2560	.2560	.2563
Switzerland	.1930	.3283½	.3285	.3288	.3285	.3285	.3280
Hong Kong	.5422	.5266½	.5278	.5288	.5331½	.5323	.5321½

Abitibi Power & Paper Company, Limited

TORONTO, ONT.

Owning and operating mills at

Beaupré, Que. · Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. · Iroquois Falls, Ont.
Espanola, Ont. · Smooth Rock Falls, Ont.
Pine Falls, Man. · Fort William, Ont.

Daily Capacity 2,200 Tons Newsprint

Groundwood Pulp · News Sulphite Pulp

High Grade Bleached Sulphite Pulp

When Saskatchewan Joined the Dominion

In 1905 Saskatchewan became one of the provinces of Canada. Its population at that time was approximately 100,000. During the past thirty years Saskatchewan's population has increased more than nine times and is now exceeded only by Ontario and Quebec.

Saskatchewan bonds combine the security of the third largest Canadian province with substantial interest return. The new issue of Province of Saskatchewan 4% Bonds, due August 1st, 1960, is priced at 90.45 yielding 4.65%. Denominations: $500 and $1,000.

Mail orders receive prompt attention.

Wood, Gundy & Company Limited

Toronto · Montreal · Winnipeg · London, Eng. · 36 King Street West, Toronto · TELEPHONE: ELGIN 4321 · Ottawa · Hamilton · Vancouver · London, Ont.

Complete Facilities

The Crown Trust Company offers to its clients the advantages of complete facilities and experienced services.

Let us serve you and your family.

A Conservative Trust Company for the Public's Service.

Crown Trust Company

393 St. James Street, Montreal

Sheet metal workers know that all the fabricating and erecting skill in the world cannot put endurance into inferior metals. And they know that their work is judged by the length of time it lasts.

STELCO Copper Bearing* Galvanized Sheets, whether used as sheets for roofing or siding or fabricated into eavetrough, pipe, containers, cornice, ventilators or skylight frames, mean extra years on every job.

They are Canadian from ore to finished product. Their copper content assures extraordinary rust-resistance. Uniformly thick galvanized coating—no thin spots—adds years of life.

Use STELCO Copper Bearing Galvanized for all sheet metal jobs. They cost only about 5% more than ordinary sheets.

*"Copper Bearing" is the trade term for steel containing a small percentage of copper. This copper retards the action of rust to such an extent that galvanized copper bearing sheets last 2 to 5 times longer than ordinary galvanized steel or iron sheets exposed to the weather.

* Copper Bearing GALVANIZED SHEETS for

ROOFING • FLASHING • CORNICES • EAVETROUGHS • DRAIN PIPES
SKYLIGHTS • CONTAINERS • GARAGES • VENTILATORS

THE STEEL COMPANY OF CANADA, LIMITED

HAMILTON · MONTREAL

SALES OFFICES: HALIFAX, SAINT JOHN, MONTREAL, TORONTO, HAMILTON, WINNIPEG, VANCOUVER
WORKS: HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, GANANOQUE

CANADA,
PROVINCE OF QUEBEC,
DISTRICT OF THREE RIVERS

City of Three Rivers

Loan of $139,300.00

PUBLIC NOTICE is hereby given that the Council of the City of Three Rivers will receive until the fifth day of August, 1935, at four o'clock P.M., at the office of the undersigned, written sealed tenders, endorsed "Tender for the City of Three Rivers Bonds," for the purchase of said City of Three Rivers Bonds, amounting to ONE HUNDRED THIRTY NINE THOUSAND AND THREE HUNDRED DOLLARS ($139,300.00), issued for the improvement of the Drainage System, under By-Law No. 115 duly approved according to law and dated 1st May, 1935, and redeemable by series of annual payments, during Thirty years from their date.

The above bonds will bear interest at the rate of 4% or 4½% per annum, payable semi-annually, on the 1st of May and the 1st of November of each year. Both the principal of these bonds and the interest thereon will be payable at the holder's option, at the chief office of the Banque Canadienne Nationale, in the City of Montreal, or at any of the branches of the said bank, in the City of Three Rivers, or in the City of Montreal, or in the City of Quebec.

The term of the issue will be interrupted and fixed at 15 years from 1st of May, 1935, with annual maturities from 1st of November, 1936, to 1st of November, 1950.

Separate prices will be considered for bonds bearing interest at 4% and 4½% per annum.

The said tenders will be considered at the meeting of the Council of the City of Three Rivers, the 5th of August, 1935, at eight o'clock P.M., or so soon thereafter as the Council or its Committee can do so.

Each tender must be accompanied by a certified cheque payable to the order of the City of Three Rivers, equal to 1% of the par value of the Issue. The cheque of the tenderer whose offer is accepted shall be handed to him after the completion of his contract without interest.

The accrued interest on the bonds must be added to the price of the bonds at the time of their delivery.

The City of Three Rivers reserves the right to reject any or all of the tenders or to accept in whole or in part any of the tenders.

Particulars of the issue and table of maturities of the bonds may be secured on application to the undersigned.

The Treasurer of the City of Three Rivers.
JACQUES DENECHAUD.

City Hall, Three Rivers,
20th July, 1935.

Dairying in P.E.I.

Prince Edward Island is to be made a richer dairying country by the organization of a cow-testing programme embracing the whole province.

BIGWIN INN, MUSKOKA

CANADA'S FINEST SUMMER HOTEL

Rates only $5.00 per day and up, American Plan. Golf 75c per round of 18 holes, 50c for 9 holes.
Only three-and-half hours' motor ride over excellent roads, via Bracebridge, to Norway Point, with ample garage accommodation there and ferry service to Bigwin Island.
Comfortable accommodation, excellent meals, perfect service. Lawn Bowling, every sort of water craft, tennis, dancing, fishing. The very finest in concert music.
Fireproof construction. Cool and invigorating climate. Altitude 1,100 feet.
Enquire of Canadian National Ticket Agents regarding THREE DAY ALL EXPENSE TOUR for only $17.60—return rail fare Toronto to Huntsville, delightful sail through three gem-like lakes, and hotel accommodation.

Annual Bigwin Inn Golf Tournament August 6th and 7th
Write, wire or phone

The Bigwin Inn Company Limited
Bigwin Island, Lake of Bays, via Huntsville, Ontario

THIRTY-FIVE LEADING CANADIAN INDUSTRIAL ISSUES

We have prepared an interesting chart and analysis covering thirty-five of the leading Canadian Industrial issues. Copies will be forwarded to investors upon request.

F. O'HEARN & CO.
STOCKS - BONDS - GRAIN
11 KING ST. W. WAVERLEY 7881 TORONTO

MEMBERS: The Toronto Stock Exchange; Montreal Curb Market; Winnipeg Grain Exchange; Chicago Board of Trade; Canadian Commodity Exchange Inc.

OFFICES: Toronto; Montreal, Hamilton, Sudbury, Cobalt, Kirkland Lake; Sarnia, Noranda, Owen Sound, Timmins, North Bay

NOTICE TO

DEBENTURE HOLDERS

OF WINDSOR, WALKERVILLE, EAST WINDSOR, SANDWICH, ESSEX BORDER UTILITIES COMMISSION, WALKERVILLE-EAST WINDSOR WATER COMMISSION AND ROMAN CATHOLIC SEPARATE SCHOOLS

The Windsor Finance Commission announces the appointment of

GUARANTY TRUST COMPANY OF CANADA
Windsor, Ontario,

as its fiscal agent for the refunding of the debts of the amalgamated municipalities of East Windsor (formerly Ford City), Walkerville, Windsor and Sandwich.

Debenture holders are requested to advise the Fiscal Agent immediately as to their holdings, giving bylaw number, serial number, by whom issued, principal amount and due date of all debentures held by them.

The fiscal agent charges no fees for registration of debentures.

Address All Communications To

Guaranty Trust Company of Canada
Guaranty Trust Building
WINDSOR - ONTARIO

News of Investment Markets

BONDS STRONG, FINANCING LOW, MARKET QUIET

Upward Movement Seen in Corporation Bonds

Outside the $4,000,000 Saskatchewan issue which was quickly subscribed last week, bond dealings have been of minor character. Prices have been firm in summer doldrum trading.

New financing on the horizon is $50 millions of Dominion treasury bills maturing Aug. 1 and $469,300 of bonds for which Saint John, Brantford and Three Rivers ask tenders. New Brunswick has invited tenders on $1,358,000 of three per cent debentures alternately for 5, 10 or 15 years

A rather broad upward movement in corporation bonds occurred in the past week although volume was small. Power issues concerned in the Ontario Hydro contract dispute gained materially. Maclaren-Quebec Power 5½'s advanced four points. Based on favorable reports, Gypsum Lime 5½'s and Massey-Harris 5's gained 2 and 4½ points respectively.

The western provincial list has been firm with scattered gains. Amplitude of funds seeking absolute security is indicated in the upward trend of gilt-edged issues. This factor, coupled with stability of sterling and the U.S. dollar, is the foundation for the recent solidity of bond prices in Canada. Trend of the gilt-edged market is indicated in The Post's averages as follows:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
July 23	3.474	113.24	July 23	3.789	110.63
July 22	3.467	113.33	July 21	3.804	110.43
July 20	3.476	113.75	July 20	3.810	110.37
July 19	3.479	113.21	July 19	3.837	110.14
July 18	3.493	113.15	July 18	3.846	110.07
July 17	3.493	113.15	July 17	3.846	110.07
July 16	3.491	113.16	July 16	3.841	110.14
Year's	3.367	114.97	Year's	3.373	115.00
Range	3.608	112.10	Range	4.517	102.54

Postal Tel. Bondholders Give Bonds to Committee

R. H. Lehman, chairman of the Bondholders' Protective Committee of Postal Telegraph and Cable Corp., has announced that more than 2,000 individual bond and debenture holders have authorized the committee to act for them.

These holders own in excess of $13 millions aggregate principal amount of the bonds and over £150,000 aggregate principal amount of debenture stock.

Investment Notes

B. A. Oil in B. C.

NO IMMEDIATE importance is attached to action of British American Oil Co. in registering under the Companies Act in British Columbia as an extra-provincial company. Most investors believe that the company intends to market everywhere in Canada as an ultimate objective. It has been increasing the area of distribution progressively through the depression. British Columbia is not an important outlet to it at present. No official intention of building a refinery has been announced and it is not thought that that is intended in the near future.

* * *

Like Massey Preferred

MASSEY-HARRIS five per cent preferred stock, carrying $22½ a share in dividend arrears, is termed "an exceptionally attractive speculation" by Gairdner & Co., Toronto. This firm has issued an analysis of the company's position. Of the outlook, it states: "With a return to normal over two or three years, the company should have no difficulty in again earning its preferred stock dividend which, of course, would be reflected in prices of three or four times the present market level of the shares." Since Massey preferred sells at $21 a share, this statement envisions a price of $63 to $84 a share. Last year A. J. Pattison Jr. & Co. favored the stock at about $15 per. Only time will tell. At least it looks like a good crop year.

* * *

I. P. of Newfoundland

BETTER shipping facilities will be experienced in the future by International Power and Paper Co. of Newfoundland, as a result of the recent completion of a warehouse and dock facilities at Port aux Basques, by the Government of Newfoundland Railway. The company has leased these new facilities for a ten year period with the right of renewal and is now able to continue shipments of newsprint during winter months when the harbor at Corner Brook is closed by ice, as Port aux Basques, which is the southernmost port on the west coast of Newfoundland, is open to navigation at all seasons. In previous years, it has always been necessary for the company to build up large stocks of newsprint in storage, both at the mill and at delivery points, in order to maintain continuity of production and delivery.

* * *

Beer—B.A.—Power

NATIONAL BREWERIES common does not seem to be overvalued in relation to earnings and dividend, according to Craig, Ballantyne & Co., Montreal. Quote: "In view of the probable improvement in earnings this year, and the strong liquid resources (advt.?) of the company, some extra disbursement toward the year-end appears to be within the bounds of possibility." Of B.A. Oil, the same firm says that the yield of about 5⅛ per cent is a good return under present conditions and that the stock has scope for enhancement of value. Montreal Power common, it says, should attract investors over a period. Fears of substantially heavier taxation on such public utilities, it avers, appear to be exaggerated. The investor will at least hope so.

Significant Investors' Index Numbers
1926 = 100

No. of Securities	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	109.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.9
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
Weekly Figures, 1935:										
July 4	121.3	10.8	56.6	209.6	65.7	127.5	108.4	141.7	44.5	94.8
July 11	121.3	10.6	57.5	213.6	66.8	127.3	112.8	143.2	44.4	95.7
July 18	121.1	10.3	57.1	210.5	66.7	128.5	118.3	143.6	44.5	95.4

*High and low of years from 1929 to 1934 inclusive are based on weekly figures.
Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
July 23	109.23	103.05	92.83
July 22	109.39	103.03	92.27
July 20	108.57	103.21	91.62
July 19	108.48	103.43	91.73
July 18	108.66	103.54	91.34
July 17	107.96	103.51	91.27
Month ago	107.07	105.24	91.43
Year ago	92.03	124.39	91.90
High, 1935	113.99	123.63	103.99
Low, 1935	97.90	102.19	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
July 23	58.5	58.4	58.4
July 22	58.2	58.3	58.3
July 20	58.0	57.2	57.9
July 19	58.4	58.3	58.3
July 18	58.2	58.2	58.2
July 17	58.4	58.1	58.2
Month ago	59.3	58.6	58.8
Year ago	62.7	52.0	55.6
High, 1935	63.4	63.1	63.0
Low, 1935	56.1	56.0	56.7

H. C. Scholfield Heads Page Hersey Tubes

Page Hersey Tubes, Ltd., directors elected Hon. H. C. Scholfield, former vice-president, as president of the company. C. L. Dunbar, of Guelph, has been appointed vice-president and H. Rooke has been elected director and vice-president. To take Mr. Rooke's place as secretary and treasurer, W. P. Bayley has been appointed. He was assistant secretary previously.

A. Macfadyen, formerly vice-president of Cohoes Rolling Mills, subsidiary, has been appointed general manager of Page Hersey Tubes.

Redeem All 5% Bonds Notre Dame de Montreal

Entire issue of five per cent first mortgage bonds of Soeurs de la Congregation de Notre Dame de Montreal has been called for redemption at 100 on Oct. 1, 1935.

SALE

Province of New Brunswick, Canada
$1,358,000.00
SINKING FUND DEBENTURES

The Government of the Province of New Brunswick, Canada, will receive tenders up to 2 o'clock P.M., E.S.T., on the 30th day of July, for $1,358,000.00 Province of New Brunswick Debentures as follows:

Debentures to be dated the first day of August, A.D. 1935, interest to be payable half-yearly on the first day of February and the first day of August, principal and interest payable in lawful money of Canada, at the office of the Provincial Secretary-Treasurer, Fredericton, N.B., or at the Bank of Montreal in Halifax, Charlottetown, Saint John, Montreal, Toronto, Winnipeg or Vancouver, Canada.

Debentures to be in the denomination of $1,000.00 or $500.00 at the option of the Purchaser, with coupons attached, and may be registered as to principal only. Full payment for Debentures to be made at the Bank of Montreal, Fredericton, N.B., upon delivery of Interim Securities at said Bank.

Interim Securities to be exchanged for Definitive Engraved Debentures on completion.

Definitive Debentures to be delivered to the purchaser at place named by him.

Tenders may be made for said Debentures on the basis of a five, ten and/or fifteen year term at 3%.

Sealed Tenders endorsed "TENDERS FOR PROVINCE OF NEW BRUNSWICK DEBENTURES" should be addressed to the PROVINCIAL TREASURER, FREDERICTON, NEW BRUNSWICK, CANADA.

Tenders must be for the amount offered and must be accompanied by a marked cheque for $10,000.00, to be applied in the case of the successful tenderer as part payment for the Debentures. All bids to be made in Fredericton Funds.

The above Debentures will be issued for the following purposes:

Refund of a ten year issue $782,000.00
Floating Debt 576,000.00

as authorized by Act of the Legislative Assembly of New Brunswick.

A Sinking Fund of ½ of 1% to be provided yearly during the term of the Bond.

The highest or any tender not necessarily accepted.

CLOVIS T. RICHARD,
Provincial Secretary-Treasurer.
Fredericton, N.B.,
July 16th, 1935.

Name Garment Centre Bondholders' Committee

Resolutions enabling modification of sinking funds for first and general mortgage bonds of Garment Centre Capitol Inc., Montreal, were passed at bondholders' meetings held last week.

A committee to supervise the affairs of the property on behalf of both first and general mortgage bondholders was appointed at the meeting. Members are: Telesphore Brassard, vice-president of the Société des Artisans Canadiens Francais; Alphonse Gravel, treasurer of the Société des Artisans; Aristide Cousineau of René T. Leclerc Inc., which firm originally sold the bonds. The committee is empowered to determine whether modification of sinking funds is necessary.

The bondholders' meetings can be reconvened at any time at the call of the chairman.

The property of the company is the Hermes Building, Montreal. The 6½ per cent first mortgage bonds amount to $553,200, and the 7 per cent general mortgage issue totals $244,000.

Paul Linz Member of Commodity Exchange

Paul Linz of Carl M. Loeb & Co., New York, has been elected a member of the Canadian Commodity Exchange Inc., Montreal. By this election he takes over the seat on the Commodity Exchange formerly held by his partner, John L. Loeb.

Bond Tenders

4 p.m., Aug. 5, Three Rivers—$139,300 4 or 4½ per cent bonds dated May 1, 1935, redeemable in 30 years. Jacques Denechaud, treas. (See announcement on page 5).

5 p.m. Aug. 7, Brantford—$155,000, 3½ per cent 10-yr. serial bonds, dated June 29. E. A. Danby, treas. (See announcement on page 5).

Noon, July 25, Saint John, N.B.—$175,000, 3½ per cent debentures due 1937 to 1975, dated Aug. 1, 1935. H. D. Hopkins, Common Clerk.

2 p.m., July 30, New Brunswick — $1,358,000, 3 per cent 5, 10, 15 year, dated Aug. 1, 1935. Clovis T. Richard, provincial sec.-treas. (See announcement on page 5).

WE consider that one of the most interesting industrial stocks available at the present time is

Massey-Harris
Company Limited
5% Cumulative Pfd. Stock

The opportunity of profit by purchasing this stock at its present depreciated price, and to participate in improvement in agriculture in Canada and in many other countries is very exceptional.

We have prepared an analysis of this situation, which is available to you upon request.

Gairdner & Company
Limited
Government, Municipal and Corporation Securities.
320 Bay St. Toronto, Ont. — 360 St. James St. Montreal, Que.

DOMINION PLANS REFINANCE BILLS OF $50,000,000

But New York Notes and C.N.R. Bonds Not Yet on Tapis

Reports that the Dominion Government is planning an immediate loan of $74 millions are premature and inaccurate, the Financial Post is informed.

The government has $50 millions of 2⅞ per cent treasury bills maturing Aug. 1. These are held by Canadian chartered banks. They will be refinanced, probably as short-term securities. Whether this is done through the Bank of Canada, the chartered banks or by public sale of treasury bills, as is anticipated, the loan will be taken up mostly by institutional investors. It is the only large piece of financing to be carried out in the immediate future.

New York and C.N.R.

There is $50 millions of two per cent notes held by a New York banking syndicate maturing Sept. 1 which must also be refinanced. This loan cannot be dealt with long before maturity without adding materially to costs of financing. Purchase of domestic securities by the exchange fund gives no indication that the government plans to make the large purchase of foreign exchange necessary to convert this loan into Canadian funds.

The Canadian National Railway has $24,740,000 of seven per cent bonds outstanding in New York which become callable at 102½ Oct. 1, next. In view of the low interest rates prevailing in both the United States and Canada there is little doubt that this issue will be redeemed and refinanced whatever government is in power at that time. The interest saving would be substantial.

The imminent financial programme of the government is thus concerned chiefly with refinancing short term securities due Aug. 1 and Sept. 1. Other financing will occur in October.

Brazilian June Gross Down Returns Half Year Higher

Brazilian Traction, Light & Power Co. gross earnings for June at $2.5 millions show a drop of 0.94 per cent as compared with the preceding June, the first decline in 1935. Operating expenses were also lower so that net of $1.4 millions was an actual increase of 1.97 per cent.

It must be recalled that the operating results as shown in dollars are taken at the average rates of exchange. Recently the Brazilian milreis has been subject to considerable pressure and, due to weaker international trade position, is not as strong even as at the beginning of the year. Exports to Brazil have in consequence virtually ceased, and free exchange again is ended.

The returns for the first half of 1935 show gross up 5.27 per cent at $15.2 millions, operating expenses down 1.04 per cent at $7 millions and net up 11.37 per cent at $8.2 millions.

Bond Sales

Wentworth County

County of Wentworth, Ont., has sold $38,232 of 3½ per cent, 10-year serial debentures to Griffis, Fairclough & Norsworthy, Toronto, at 100.55, a cost basis to the county of about 3.40 per cent. Bids were:

Griffis, Fairclough & Norsworthy	100.55
J. L. Graham & Co.	99.13
Dyment, Anderson & Co.	99.09
Matthews & Co.	98.77
Gairdner & Co.	98.52
C. H. Burgess & Co.	97.87
Harrison & Co.	97.59
Wood, Gundy & Co.	97.20
R. A. Daly & Co.	97.18

CITY OF BRANTFORD

TENDER FOR BONDS

SEALED TENDERS addressed to the undersigned at the City Hall, Brantford, Ontario, and forwarded by Registered Mail marked "TENDER FOR BONDS" will be received up to Five o'Clock P.M., August 7th, 1935, for the purchase of the following Debentures:—

BY-LAW No. 2497, $75,000.00, 10 Year Serials, 3½%.

BY-LAW No. 2496, $80,000.00, 10 Year Serials, 3½%.

The above debentures are dated June 29th, 1935, and will be issued in denominations to suit the purchaser.

Payment will be required in Brantford Funds on delivery of debentures, which must be accepted on or before October 1st, 1935. Full particulars may be obtained on application to the undersigned.

TENDERS will be opened in the Council Chamber at the City Hall, Brantford, on August 7th, 1935, at 7.30 P.M.

Brantford's financial position is sound. During 1933 and 1934 the Debenture Indebtedness was reduced $454,203.93. Tax Collections show an increase to date over 1934 of $93,706.10. All payments due on Debentures have been promptly met.

Dated at Brantford this Eighteenth day of July, A.D. 1935.

E. A. DANBY,
City Treasurer.

Municipal Finances

Calgary tax collections for the first six months of 1935 were $1,889,576, compared with $2,753,629 in the same 1934 period. Extension of payment date from June to July 4 accounts for the decline. Some $750,000 was collected in the first four days of July. Other revenues are higher.

In the first six months the city spent $428,775 of the year's appropriation of $695,000 for unemployment relief. Increase of $67,059 in cost over last year. More funds may have to be voted.

* * *

Cap de la Madeleine, Que., will pay all interest coupons due Aug. 1.

* * *

La Tuque, Que., has been authorized to pay Aug. 1 coupons on bonds issued under by-law 6.

* * *

St. Genevieve de Pierrefonds, Que., has merged with St. Genevieve, Que., and both will henceforth be known only under the former name.

* * *

York Twp., Ont., debenture debt was $19,412,928 at the end of 1934. Of this, $4,455,932 was pledged with bankers, the remainder having been sold to the public. Arrears of 1934 taxes were lower than for 1933, but total arrears were cut only slightly, as shown below:

York Township Tax Arrears

Year	Current yr. $	Prev. yrs. $	Total $
1932	1,199,731	828,628	2,028,359
1933	1,384,706	1,201,916	2,586,622
1934	939,664	1,607,825	2,547,489

* * *

Regina sinking fund trustees report total assets of $6,467,952 at the end of 1934. This includes $403,966 of principal and $206,886 of interest in arrears on investments. Amortization requirement is $6,079,125. Thus the fund has $388,828 in investment and deferred profits reserves. In addition it has returned to the city $817,000 of its surplus earnings since appointment of the trustees.

* * *

Winnipeg has received a loan of $500,000 from Manitoba which borrowed it from the Dominion on security of 4 per cent bills.

Alexandra Apts. Meeting Adjourned to August 2

Meeting of holders of 6½ per cent first mortgage bonds of Alexandra Apartments, Toronto, last week was adjourned to Aug. 2. There was not a quorum of bonds at the meeting, but it is expected that a quorum will be represented at the adjourned gathering.

The meeting is to consider proposals to alter the sinking fund provisions for the bonds. In exchange for release of cash and modification of the fund, it is proposed to issue stock to bondholders.

Bond Redemptions

Bond Issues:	Rate	Date	Date	Price
Belding-Cort.	5%	1936	Nov. 1	105
Mond Nickel	5½%	1957	Aug. 1	103
Can. Cons. Felt	§6%	1940	Oct. 1	105
Tor. Housing A	▲5%	1953	Aug. 12	105
Mtl. L. H. Ref. B	5%	1970	Sept. 1	105
L'Hopital Laval	5%	Serial	Aug. 1	102
Can. Copper Ref.	6%	1945	Aug. 15	104
Dom. Tele. Secs.	*5½%	1978	Aug. 2	100
Dom. Canners	*6%	1940	Oct. 1	110
Eastern Car	*6%	1952	July 27	†105
Steel of Can.	‡6%	1940	Aug. 1	†110

For sinking fund §$65,000. ▲$25,000. †Tenders not to exceed this price. *$2,700. *$62,600. *$35,620. ‡$398,108.

Stock Redemptions

	Date	Rate	Stock	Price
Nat. Telephone	Aug. 1	7%	preff.	†55

†In U. S. funds.

We offer:
$100,000
PROVINCE OF ONTARIO
5½% BONDS
MATURING 1 DECEMBER, 1942
113¼
TO YIELD ABOUT 3.47%

BELL, GOUINLOCK & CO.
LIMITED
25 KING STREET WEST
TORONTO, CANADA
MONTREAL — WINNIPEG
TELEPHONE: ELGIN 2236

To the Holders of:

WINNIPEG ELECTRIC COMPANY
6% Refunding Mortgage Bonds, Due 1954

MANITOBA POWER COMPANY, LIMITED
5½% First Mortgage Bonds
Series "A", Due 1951 — Series "B", Due 1952

NORTHWESTERN POWER COMPANY, LIMITED
6% First Mortgage Bonds, Due 1960
Scrip Certificates Due January 2, 1935

THE SUBURBAN RAPID TRANSIT COMPANY
5% First Mortgage Bonds, Due 1938

THE WINNIPEG, SELKIRK & LAKE WINNIPEG RAILWAY COMPANY
5% First Mortgage Bonds, Due 1933

Your attention is directed to Meetings of the holders of the above securities called for the purpose of considering the General Plan of Consolidation and Readjustment for these Companies and to be held as follows:

Winnipeg Electric Company —Toronto, Can.—Aug. 22, 1935
Manitoba Power Company, Ltd. —Toronto, Can.—Aug. 7, 1935
Northwestern Power Company—Montreal, Can.—Aug. 12, 1935
Suburban Rapid Transit Company—Montreal, Can.—Aug. 15, 1935
Winnipeg, Selkirk & Lake Winnipeg Railway Company —Toronto, Can.—Aug. 27, 1935

Copies of the Plan, together with the various other documents in connection therewith, have already been mailed to all known bondholders. *It is most important that every bondholder immediately execute a proxy in accordance with the "Regulations and Instructions" in order that his or her vote may be recorded at these Meetings.* If you have not received a copy of the Plan and the other documents, you are urged to communicate immediately with Winnipeg Electric Company, Winnipeg, Canada, or with any one of the following:

If you are a Winnipeg Electric or Manitoba Power Bondholder
Any office of Montreal Trust Company

If you are a Northwestern Power or Suburban Rapid Transit Bondholder
Any office of The Royal Trust Company

If you are a Winnipeg, Selkirk Bondholder
Any office of National Trust Company Limited

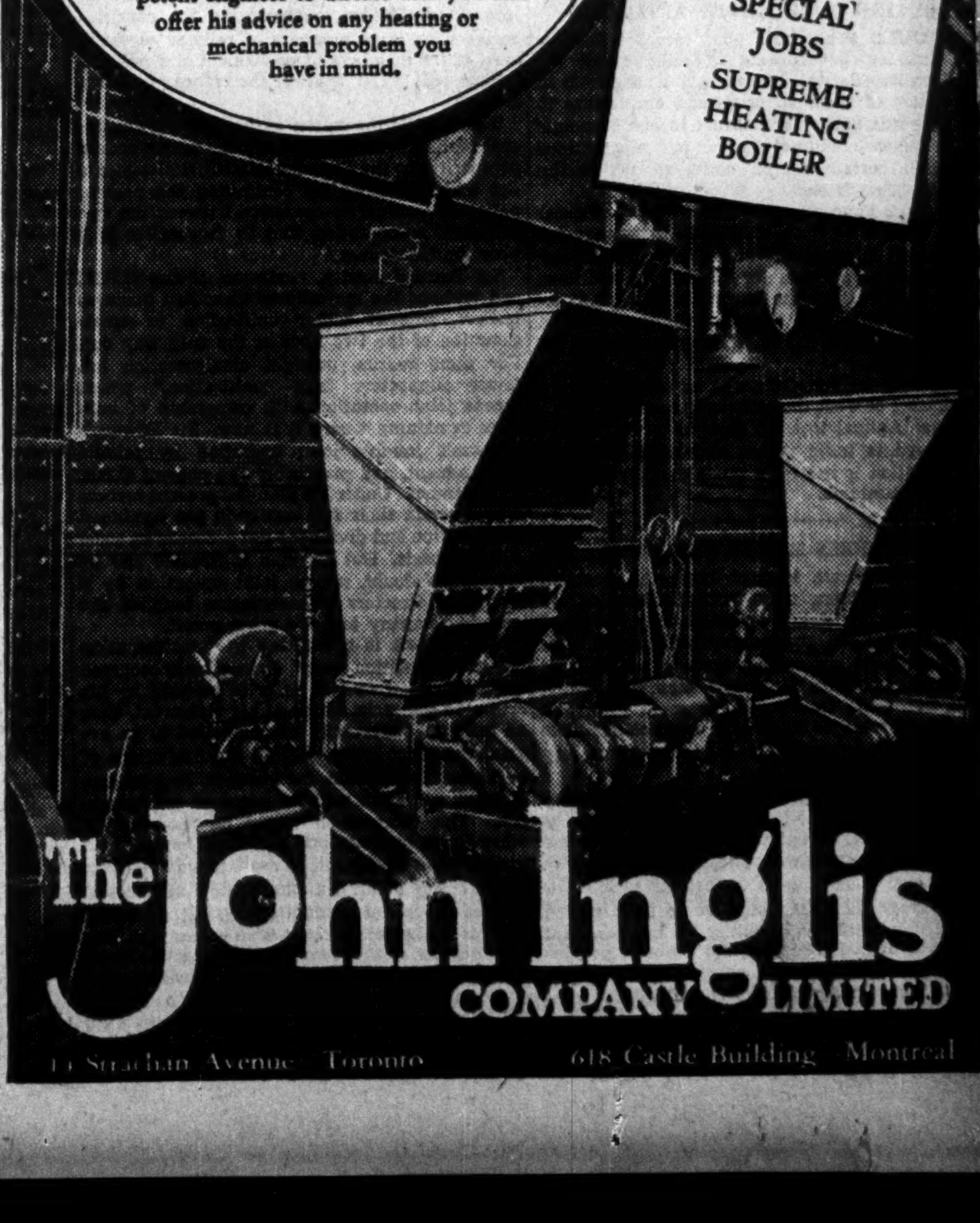
WINNIPEG ELECTRIC COMPANY
July 22nd, 1935. Edward Anderson, *President*

Let us solve your
BOILER PROBLEM

Whether your problem is the efficient heating of a small store, an office building, or a giant apartment house, our experience and engineering knowledge can be of great assistance to you.

Let us work out your problem. None too small—or too large. Our engineers know their job. Our machinists know their's. Our shops are equipped to do every kind of work—Boilers, Tanks and Special Plate Work, including Hydraulic Turbines and Transmission Machinery.

Give us the word and we will send a competent engineer to discuss with you and offer his advice on any heating or mechanical problem you have in mind.



The John Inglis COMPANY LIMITED
14 Strachan Avenue Toronto — 618 Castle Building Montreal

The Financial Post

Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS

Business Manager—D. M. GOWDY

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of Any Canadian Financial Paper

The detailed circulation statement we submit is the sworn statement of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. inspection.

ADVERTISING RATES

Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

Published by

THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2.

Chairman of the Board—JOHN BAYNE MACLEAN
President—HORACE T. HUNTER
Vice-President and General Manager—H. VICTOR TYRRELL

MONTREAL, Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor

GREAT BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W.1; E. J. Dodd, Director. Telegraphic Address, Atabek, Lesquare, London.

THE FINANCIAL POST BUSINESS YEAR BOOK, YEARLY, $2.

THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES, YEARLY, $2.

THE FINANCIAL POST SURVEY OF MINES, YEARLY, $2.

THE FINANCIAL POST RECORD OF PROSPECTUSES, HALF YEARLY, $7 per volume.

THE FINANCIAL POST CORPORATION SERVICE, $20 monthly. Special prices for selected part service.

DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS, YEARLY, $10.

TORONTO, JULY 27, 1935

IS CANADA SAFER THAN U. S. FOR INVESTMENTS?

SOME people may find it difficult to reconcile two distinct movements that are now under way. One is for a limited number of wealthy Canadians to establish residence in other countries in order to avoid Canadian taxation and to protect themselves against what they consider to be the tendency to confiscatory legislation in this country. The other is the tendency for a certain number of wealthy American investors to place a large percentage of their funds in Canada and even to acquire Canadian citizenship wherever our immigration restrictions permit it.

The conflicting trends seem to suggest that there is something in the old adage that distant fields look greenest. Likewise, there may be something in the thought that while taxes are high in Canada and going higher, and while State Socialism has been on the march here for some years, neither of these developments has gone as far or promises to go as far in Canada as in the United States.

The important question seems to be: Is Canada really a safer country in which to invest and a more stable country in which to live at the present time than the United States?

It is difficult for us in Canada to take an independent view. Recently a great many American business investigators, capitalists, investment specialists, etc., have been in Canada making studies to determine the advisability of expatriating capital to Canada. The well informed Whaley-Eaton Service, of Washington, in discussing this question, points out that Canada usually follows the United States politically and that our taxes are high and are going higher. It refers to the fact that some of our wealthiest men have announced their intention of leaving the country in order to avoid high income and inheritance taxes. Its conclusion is that about the only advantages Canada has over the United States as a safe place for investment are:

(1) The people are less emotional;
(2) The conservative influence of Great Britain is always present.
(3) One-third of the population are Roman Catholics, which means that they are under the influence of probably the most stable and conservative institution on earth.

These are important points. But it would give assurance of a larger flow of capital from outside Canada to promote our more rapid development and the creation of many new jobs if we could add to these the assurance that radicalism was on the wane and that our government authorities were definitely setting out to reduce taxation and if there were ample guarantees against confiscatory legislation and repudiation.

As a matter of fact, most authorities agree that this continent is in for an early recovery—though possibly not a permanent one—and that only excessive political manipulation delays the fulfillment of that condition. Canada ought to be ready to make the most of that boom if, and when it comes. But we will not be ready if we continue to interfere with private rights, if we continue to tax unduly those who invest here or, reside here, and if we continue to confuse recovery and reform.

POURING GOOD MONEY AFTER BAD

WOULD it not be a good idea for the Dominion government to close down the Hudson Bay Railway at once? The country is in the midst of financial crisis and our failure to balance our budget is a threat to our economic life. Yet we continue to nurse our superstitious faith in certain sacred cows, of which the Muskeg Line is one.

Ottawa's appropriations for the current fiscal year contain an item of $226,000 to provide for the deficit in operation during the present year. There is also an item for $302,000 for additions and betterments to the terminals. Here is $528,000 of new money thrown into the venture, although the amount of traffic passing over the line is a joke.

The half million dollars is, of course, only a beginning of what the railway is costing the taxpayers. Annual interest charges on the money borrowed to build it run about $2,500,000 and depreciation is not even thought of by government accountants.

BUSINESS MEN IN THE DARK

RECENTLY we touched upon the problem that business men have in keeping up with all the legislation by which they are taxed or controlled. A great many bills passed Parliament at the last session, some of which have already come into force and others of which will not come into force for some time yet. Copies of some of these bills are not available even yet. Business men do not know where they stand under them.

While this is a problem that is particularly acute at the present time there is a phase of it that is chronic. Even when final copies of the new acts are prepared and available shortly after their passage it is almost impossible for the average business executive to keep posted on all the legislation affecting his business that passes through Parliament and the nine provincial legislatures. Trade newspapers, business associations, parliamentary agents and legal advisers do their best to post business men on changes affecting their business but it is difficult to interpret legislation of a general character in its specific application. Thus many firms become unwilling law violaters.

Much of our present day legislation leaves it to the cabinet or to government officials to provide the regulations which actually comprise the law. Parliament delegates its authority and a governmental department exercises it. "Administrative law" as opposed to statutory law or case law is becoming a gigantic study in itself. But it is no uncommon thing for government departments to issue regulations which are brought to the attention of only a small percentage of interested business men. True, most such regulations are advertised in the Canada Gazette or one of the provincial gazettes. But these organs have very small circulation and they do not come to the attention of ordinary business men.

Governments should use the news and advertising columns of business newspapers and other publications to announce regulations and to bring to the attention of interested parties any legislation which is about to be brought into force.

TAXING THE ONE-MAN FORTUNE

WELL informed Washington understands that the tax bill providing for larger inheritance taxes is being rushed by the President and the treasury because of the expected early death of one of the wealthiest men in the United States. As the gentleman in question would have to die soon to win the race against higher taxes and as he has also shown a remarkable tenacity in holding out against the old gentleman with the scythe, it is likely that the government will win.

But Washington has not yet discovered any formula for collecting inheritance taxes from wealthy men whose fortune is largely invested in a single industry. For instance, various estimates have been made of the inheritance taxes that would be payable upon the estate of Henry Ford. These estimates have run as high as $700 million, which is, of course, a ridiculously high figure. But if the taxing authorities decided to collect even half that amount from the Ford estate, they would find it difficult to obtain it in cash for Henry Ford's wealth is in land, bricks, mortar, steel, and goodwill, as well as in the working capital of a giant business organization. It is not in bars of gold or bags of silver or even in a vault full of government bonds. Two other great American fortunes, those of Mr. Mellon and of Mr. Rockefeller, will also be difficult to tax.

The suggestion has been heard that the government should accept payment "in kind." For instance, that it should accept part ownership in the Ford Motor Co. as payment of succession duties. But this could hardly be regarded as a feasible plan for general adoption, much as it might appeal to the apostles of State Socialism at Washington.

Inheritance taxes may destroy industries as well as fortunes in these cases, but the problem is not likely to arise very often in the future. High income taxes and inheritance taxes will probably work effectively to prevent the establishing of any large one man businesses of the type of those of Mr. Ford and Mr. Rockefeller and Mr. Mellon.

MR. STEVENS AND LIBERTY

IN THE manifesto of Mr. Stevens's reconstruction party appears the following:

"What Francis Bacon wrote 300 years ago is true today as it was then: 'It is good not to try experiments, except the necessity be urgent, or the utility evident; and well to beware—as the Scripture saith: That we make a stand upon the ancient way, and then look about us and discover what is the straight and right way, and so to walk in it.'

"The 'ancient way' in a British country is the democratic way. Canadians must beware lest disappointment with an apparent failure of democracy lead attraction to schemes of rigid state control of life and organization. One need only look at the Old World east of the Rhine to realize that one form of tyranny begets another, and that if our age-won liberties are lightly surrendered they will be well-nigh irrecoverable."

Just why these two paragraphs were included in the manifesto is not at all clear. Immediately after using them Mr. Stevens's manifesto begins to suggest new forms of state control of the economic and social life of the citizens, new ways of substituting tyranny for liberty.

On all hands, says Mr. Stevens, the demand is heard for a political instrument which will not obstruct but facilitate the necessary modifications of the economic system. This is sheer euphemism. What it must inevitably mean is "schemes of rigid state control of life and organization." This is not the ancient way of British countries nor is it the democratic way. Democracy cannot survive unless the individual survives.

RAILWAY PROBLEM CANNOT LONG BE AVOIDED

IT IS not anticipated by political leaders that they will have to discuss the railway question to any considerable degree in the forthcoming election. Outside of a few members, such as Hon. R. J. Manion, representing the constituencies with large numbers of railway workers, most of the members of parliament and political leaders will prefer to leave the railway question alone.

The truth of the matter is that there is no general realization that relief for the taxpayer and prosperity for the Canadian Pacific Railways are not to be obtained by continuing the present policy of nominal co-operation between the two railways; co-operation that in fact exists in a very limited degree.

Sir Edward Beatty, chairman of the C.P.R., and perhaps the majority of Canadian business leaders, support either unification or amalgamation of the two lines as the only way out. For some reason, outright amalgamation has fewer supporters than "unification," which means joint operation with ownership of both lines remaining where it is now. Sir Edward's proposals involve joint operation by private management, and preferably the present C.P.R. management. Under his plan the present owners would retain their full equity in the combined organization and divide the net proceeds on some suitable basis. But his plan is flexible and he would, no doubt, accept joint operation by a board of directors representative both of the private company and the government.

Mr. Bennett is committed to "amalgamation never; competition ever." It may have occurred to Mr. Bennett that if he is to be held by his critics to the strict letter of his statement, then he may not necessarily be compelled to go beyond the strict letter. Within the limitations of his terms, there could, for instance, be a scheme of joint operation without physical amalgamation. The competition would be provided by other forms of transport. Mr. King has gone no further than to commit himself to safeguarding the integrity of the National system and in this respect he is not committed against a change even as far as Mr. Bennett is so committed. For the integrity of the Canadian National Railways system could be adequately safeguarded under a system of joint operation which left the ownership of the two railways exactly where it is now.

The railway issue probably will not figure much in the election campaign. One would like to feel that our public men were not so afraid of the question. But since they speak only to commit themselves against any possible solution, it is just as well for them to say nothing. Political leaders have a habit in election campaigns of being forced into making statements which tie their hands later on, when they should be free to deal with such questions according to the dictates of necessity.

Our emotions rather than our intellects have dictated our railway policies in the post-war years. But as the country heads in the direction of financial crisis, through the continued budget deficits of all governments, the hard economic facts will overrule mass thinking. We will, some day soon, be forced to do something about the railway problem. That "something" may be action distasteful to a large number of people in Canada. It may be a compromise. Such a compromise might not be difficult to find. Sir Edward's plan could be easily modified so that either Mr. Bennett or Mr. King, within the limits of their commitments, could accept it.

DILEMMA OF BIG BUSINESS

THE big business man was once regarded as one of the leaders of the nation. In Canada he is regarded as something less today and in the United States as a positive menace.

The New York Times refers to one phase of the dilemma of big business. Anything the captain of industry, the utility magnate or the business leader says or does nowadays will be used against him.

If he is made the object of unsound or confiscatory legislation, and if he protests publicly, writes letters, give statements to the press or otherwise tries to influence the government and the lawmaker, he is denounced as a lobbyist and a propagandist. He is accused of being interested in property rights and not in human rights. Every cent he spends in opposition will be investigated and blazoned in the headlines.

If he does nothing and says nothing by way of protest, then it is assumed that the particular bill that is under discussion is a good bill because no one is objecting to it.

In Canada and the United States there is some point to this comment of the Times:

"Sad is the plight of the once great business leader. He is criticized everywhere for his 'bad tactics' in regard to legislation that affects his interests. But will somebody please tell him just what are good tactics?"

MAKERS OF LETHBRIDGE

IT TAKES 124 tabloid pages for the Lethbridge Herald to record the past 50 years of life of its community. Lethbridge was so named in 1885 and the Herald the other day published a Golden Jubilee edition to celebrate the event. This edition has a genuine historical value because of the well-written and carefully edited reminiscences of builders of Southern Alberta that it publishes. There is a notable literary scoop in the edition in the publication of some memoirs of C. A. Magrath, one of the great Canadians of the present generation, who was a close associate of the group of pioneers who opened up Southern Alberta. The issue is a real achievement for Senator W. A. Buchanan, Herald publisher, and his associates.

EDITORIAL NOTES

Recently, when it was suggested in these columns that some of our law-making bodies be abolished, we did not expect to be taken up so quickly on the matter. Alberta's legislature has disappeared through the efflux of time and until the election that province will be without a law-making body. Hitherto, it is said in Alberta, there have been no cases of any provincial legislature or parliament ending its life through lapse of time. Usually there is a formal dissolution.

• • •

The Montreal Gazette is the latest Canadian newspaper to adopt the new and more legible Excelsior type for its news columns. The Gazette's new type is the same as that utilized in The Financial Post for some time, except that The Post sets its type with slightly more space between the lines. The Post gets about six per cent fewer words in the column, but considers the extra legibility to be worth what at first glance may appear to be waste of space.

Sayings of the Week

"International war will be stopped some day as duels have been stopped."—*George Bernard Shaw.*

• • •

"Democracy means that every citizen must take a hand, however small, in ruling the State."—*Havelock Ellis.*

• • •

"The essential ingredient of public opinion is that it is the product of a long process of free discussion."—*John W. Dafoe.*

• • •

"There is no such thing as a managed currency. We might as well talk of a managed wife."—*Stephen Leacock.*

• • •

"The writer's itch is a breaking out in a grievous form of rash, and the more it is scratched the worse it is."—*Harold Bell Wright.*

• • •

"Bigness is efficient in some lines, inefficient in others where it seems to have attracted large capital for other reasons than profit from efficiency."—*Raymond Moley.*

• • •

"There is no reason for doubting that the power age can produce enough to go around and more. The present plant cannot yet provide a full quota of luxuries."—*Stuart Chase.*

• • •

"No one could live under the British constitution except its inventors and patentees, and neither they nor their descendants have ever been able to explain the secret to others."—*Rt. Hon. Winston Churchill.*

• • •

"Fifty years hence half of our people gainfully employed in industry will probably be performing labor as yet undiscovered, perhaps not even within the minds of the present generation."—*Henry H. Heeman.*

• • •

"Nature requires four centuries to build an inch of rich black loam. Under certain unfavorable circumstances wind or water can destroy or scatter that amount of topsoil in a few days through erosion or dust storms."—*Rexford G. Tugwell.*

• • •

"The tragedy of the Blue Eagle will be relieved somewhat by realization that this country enjoyed the most hilarious spectacle that man has yet made of himself in his efforts to let go of his own throat and quit biting his own ear."—*Westbrook Pegler.*

• • •

"The plighted word of a government given in a solemn treaty is now too often looked upon either as a merely rhetorical record of a dubious aspiration or as a contract to be set aside more or less bluntly if occasion or advantage shall so invite."—*Dr. Nicholas Murray Butler.*

• • •

"Democracy is not likely to abdicate its functions. It is still less likely to be coerced by the overt acts of conspirators. But it may commit suicide through popular exasperation over the failure of government to meet the expectations of those who have exaggerated and absurd ideas of what the state can and should do for them."—*John W. Dafoe.*

The World at Large

Expanding Japan

Aggressive Imperialism Fosters Trade Wars and Invasions

By JOHN A. STEVENSON

The impending trade war between Canada and Japan, is in full conformity with the general line of the aggressive Imperialist policy of Nippon. This she embarked upon three years ago with her seizure of the Chinese territory now embraced in her puppet state of Manchukuo. In various directions ever since she has pursued this policy with undeviating purpose.

World politics have been peculiarly favorable to the success of her adventures. The great European powers have been preoccupied with their own problems and quarrels. United States, while annoyed and alarmed at developments in the Orient, continues to fight shy of any international responsibilities as long as vital American interests are not at stake. Finally China, torn by internal dissensions, lacking a strong central government and beset by desperate economic problems, has been completely unable to hold her own against the superior might and more efficient organization of Japan.

Steady Encroachment

Consolidation of the Japanese position in Manchukuo, about which the fiction of independent statehood is still maintained, took some time. As soon as it was accomplished, however, the Japanese army resumed its acquisitive enterprises. Finding convenient pretexts in the lawlessness, which is now endemic in most parts of China, it seized another huge block, the northern province of Hopei. In this lie Peking, the ancient capital and the important port of Tientsin. The Chinese government, which tries to rule the country from Nanking, had either been squared as some people suspect, by the Japanese or it was too weak to resist demands presented at the point of the bayonet. Not only troops but all Chinese officials who could not pass muster as pro-Japanese, were forced to evacuate. The local branches of the Kuomintang, the political organization behind the Nanking government, and other nationalist bodies were summarily dissolved.

Plan More Invasions

Moreover the Japanese have made no secret of the fact that they contemplate a similar invasion of the adjacent province of Chahar. They have already made some moves. Prediction is being freely made that the whole of Northern China down to the Yellow River will eventually come under Japanese control.

The Japanese never miss an opportunity to bully the Nanking government and show their contempt for it. Lately they seized upon an article in a Shanghai paper which they alleged to be derogatory to the Emperor of Japan. Five demands were presented to the Chinese Ministry of Foreign Affairs. These included an apology, abolition of Kuomintang headquarters in Shanghai, suppression of the "Blue Shirts," a Nationalist League, dismissal of Wu Sin-ya, director of social services in Shanghai. A guarantee that effective measures would be taken to prevent the occurrence of similar incidents in the future.

Chiang-Kai-shek, the one military leader in China who has a reasonably efficient army under his command and who has been fighting the Communist forces in southwestern China on behalf of the Nanking government, does not seem disposed to make any move to checkmate Japan. He is freely charged by his enemies with being in the pay of Tokio.

Japanese military authorities are evidently anxious to avoid the rôle of brazen military conquerors They keep up the pretense of negotiating with Chinese officials for the peaceful transference of the territory occupied by their troops and getting formal documents signed. But it is generally expected that the new territory recently seized by Japanese troops will be incorporated in Manchukuo with preferential trading and business privileges for Japan.

American business interests and American papers are growling angrily but Washington has taken no action. Britain, thanks to Sir John Simon's tacit acquiescence in the seizure of Manchukuo and anxieties about the European situation, is helpless. All that the British government has done has been to send out Sir Frederick Leith-Ross, a leading Treasury official, to give advice to the Chinese government in the hopes of strengthening its position.

Threaten Russia

Not content with these activities in China, Japanese militarists have been stirring up frontier trouble with Russia. The Russian government lodged a strong protest. A spokesman of the Japanese Foreign Office professed to treat this protest lightly and a leading Japanese paper suggested that if the Russians wanted their relations with Japan to improve, they should reduce their forces in the Far East by from 30 to 50 per cent. After a few days, however, the Japanese agreed to the appointment of an arbitration commission to adjust frontier disputes.

This decision probably represents a victory for the Japanese Cabinet over the military chiefs with whom it has been carrying on an intermittent struggle for months. Admiral Okada, the present Premier, although a sailor of high rank is credited with liberal views. He was thought too weak to survive long but his government celebrated its first birthday on July 8. It has the backing of powerful commercial interests. The latter are apprehensive of the ultimate consequences of the policy of chauvinistic imperialism favored by the general staffs of the army and navy.

Domestic Trouble

In this domestic battle, the general staffs have won a number of rounds but they have also been beaten in others. Lately the ministry has been holding out against a demand of the military and naval chiefs for a binding declaration that on matters affecting defense the general staffs alone shall have authority.

There is obviously a liberal element in Japan, which does not want the country to come under a régime of militarist Fascism. It has not been strong enough, however, to resist nationalist pressure for a truculent challenge to Canadian tariff policy. But the chauvinistic elements in Japan also show a certain cautious discretion in picking a quarrel with Canada. They have no complaint upon their trade relations with the mighty United States though in this case the adverse balance of trade is relatively just as heavy.

As Others See Us

One in Five Gets Public Aid
Ottawa Journal

The Toronto Financial Post brings out the somewhat startling fact that one in every five Canadians is in receipt of public aid. Its authority is the Canadian Council on Child and Family Welfare.

The Council estimates that not less than 1,900,000 individuals, exclusive of 96,000 military pensioners and their dependents—or somewhere between 18½ or 20 per cent of the population—are presently dependent in whole or in part upon social aid.

People grumble about taxes, wonder why they are so high. Here is the answer. With our new philosophy about "greater social security," we have taken on a host of social services, things our fathers never expected, or never dreamed of.

These services may be admirable, doubtless mean more security for many. Yet there comes the question as to whether we can afford them all; the question as to whether continued high costs toward security for many may not end up in the condition of less security for everybody.

For the cost of these services are not paid by a few. They are paid by everybody. Ninety-five per cent of the people who paid income taxes last year paid on incomes of less than $10,000; 37 per cent paid on incomes of less than $2,000. Other taxes—indirect taxes—are paid by everybody; even by the unemployed.

Social Aid and Its Cost
St. Catharines Standard

Commenting on a statement in The Financial Post to the effect that social aid in Canada, including unemployment relief, old age pensions, war pensions and veterans' aid cost in round figures $250,000,000 The Ottawa Journal says:

"People grumble about taxes, wonder why they are so high. Here is the answer:

"For the cost of these services are not paid by a few. They are paid by everybody. Ninety-five per cent of the people who paid income taxes last year paid on incomes of less than $2,000. Other taxes—indirect taxes—are paid by everybody; even by the unemployed."

All of which is a grim reminder that the political manifestoes published in recent days even carry greater promise in the way of public expenditures than anything yet the country has had. And the question arises, as to the country's ability to pay, unless they start printing money. One party promises to seize the financial structure, secure control. That means that the thousands of bank depositors, insurance policy holders, widows and orphans depending on interest on bonds and accumulated savings would be at the mercy of one political group.

The Ottawa paper puts it succinctly when it suggests that greater social security for many may well end in the condition of less security for everybody. In that event the country would surely have to get back to first principles, and the way would be hard.

Other People's Views

Taking Care of Things
The Saturday Evening Post

Right now, the way it looks in this country, nobody is in any danger of starving to death, except the taxpayer.

The End for Mussolini
Vancouver Sun

When the rainy season ends in Abyssinia and the real fighting begins, around the end of September, it looks from here as if Mussolini will be on the closing lap of the sensational race he began with his Blackshirt march on Rome in 1922.

"Live dangerously" has always been Mussolini's creed. Now he is living up to it with a vengeance.

He is, according to reliable opinions, losing strength at home. Political repercussions are coming as the flush of Fascism cools down.

Mussolini has met all problems aggressively. He has always anticipated attack with his own offensive.

This time he has chosen a foreign war against the black hosts of Ethiopia.

But paying for the war will bleed Italy white. It will plunge the country suddenly into a wartime inflation, from which the later reaction must be all the more severe. The political fight which Mussolini now seeks to avert is a pale shadow of the real thing that will come after the Abyssinian campaign, victory or defeat.

Regardless of who wins in Abyssinia, this campaign looks like the beginning of the end for Mussolini.

Stop Me If You've Heard This One

Four good fellows, old friends, met after long years in an Irish provincial town. They visited an inn and had several drinks. Then all four left for the railway station. On arrival at the train, three of the four got in and the train pulled out, leaving the fourth fellow standing on the platform, laughing until he was weak.

Station Master—What the devil are you laughing at?

Fourth Fellow—Shure, they were supposed to be seeing ME off.

Regardless of the Amount

Whether the amount to be invested is large or small, clients of this firm are assured of careful and courteous attention to their requirements.

A complete investment service is available at any of our Branches

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO

Montreal Winnipeg Vancouver Victoria New York London, Eng.

BOND DEALERS
WRITE FOR CURRENT LIST OF OFFERINGS
McLEOD, YOUNG, WEIR & CO.
LIMITED
METROPOLITAN BUILDING—TORONTO
MONTREAL—OTTAWA—HAMILTON—LONDON

Why not consult me about your advertising and see what I can do for you?
Thornton Purkis
Advertising Counsellor
330 Bay St., Toronto

Ontario's Highways are *NOT* Speedways!

SENSELESS SPEED which leaves terrible injuries and death in its wake is hardening the hearts of people, police and courts against *all* reckless drivers. They will be dealt with ruthlessly . . . to make Ontario's highways safe for everyone.

In self-defence you are wise to fight the temptation to speed . . . especially at night. Make sure that your brakes, lights and tires are efficient. Cultivate a definite sense of responsibility towards pedestrians and other drivers. *It is the only wise course.*

IT IS BETTER TO BE SAFE . . . *THAN SORRY*

MOTOR VEHICLES BRANCH
ONTARIO DEPARTMENT OF HIGHWAYS

ONTARIO

THIS MUST STOP!

In Ontario, during 1934, there were nearly 10,000 automobile accidents.

512 people were killed
8,990 people were injured

. . . a considerable increase over 1933. It must be evident to all thinking people that *this must stop.*

Hon. T. B. McQuesten,
Minister of Highways.

The Week in Business

Summer Sunshine

AMID sweltering summer sun, business finds a refreshing word in the fact that most lines of activity have so far kept on the right side of the usual summer slump. In Canada, June business reached a new high since recovery, getting well on top of the line of "normal" business (1926 average) for the first time in four years. General volume throughout the Dominion as measured by The Post index was about 3.5 per cent better than a year ago. For the first six months the gain over the previous year was almost 7 per cent.

* * *

Motor Makers Happy

THE same thing is happening in the U.S. where steel operations particularly are being watched by observers with no little wonder and awe. Carried still on the backs of the motor industry, steel plants are unusually busy for this time of year—a nice contrast to last year when activity started into a downward spiral about this time. Canadian motor plants are slacking off for the summer but sales are said to be healthy as also are dealers' stock in most lines. No new models will be announced for the coming Canadian National Exhibition at Toronto but it would not be surprising if next year's models were much earlier in appearance than for 1935. Canadian plants have ceased to worry for the moment about the much touted tariff board quiz. The enquiry is definitely postponed until after the election, which means — well, that's anyone's guess.

* * *

Exports Slip

A WEAK spot in the Canadian picture is the continued low level of export trade, the June figures showing a drop of 10 per cent from a year ago though in the first six months of the year we bettered our last year's figure by 4 per cent. Despite our huge holdings of wheat, sales from this country are now virtually non-existent and probably will remain so until the new grain board gets into the picture. By that time competitors such as Russia and even the United States may be actively pressing for business, which would add another gloomy note to this tragic symphony.

* * *

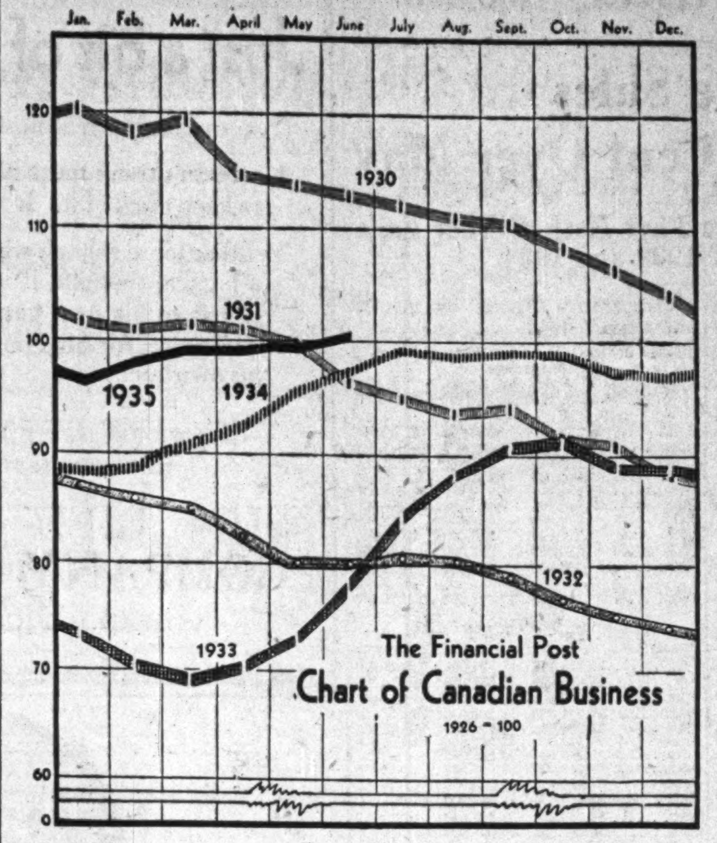
"Floating Garages"

THE Atlantic Ocean is the world's largest garage. Sounds a bit foolish, but is true, for a number of the largest liners now have "floating garages" which literally stretch from America to Europe.

The depression made the garage afloat idea a big factor in ocean travel. Even in 1929, if one wanted to take a car abroad, it was usually necessary to crate and ship in a separate vessel. Now it is a case of take-your-car-with-you. Car, passenger and luggage drive to the dock, an elevator and special gangplank do the rest.

Between 70 to 75 per cent of the cars in ocean garages are in the low price field. In 1930 it would have cost from $225 to $340 to take a Plymouth, Ford or Chevrolet abroad; now a round trip costs from $120 to $150, depending on the time.

Index Reaches Recovery Peak



Canadian business volume, as measured by the preliminary Financial Post index, moved still higher in June to 100.8, after seasonal adjustment. This is the highest point reached in recovery progress to date, being above any level since April, 1931. According to this figure, business activity is currently running ahead of the base year 1926.

Commodity Prices

Warm weather dullness on livestock markets featured commodity price movements during the past week, cattle and hog prices both being down substantially from a week ago. Some advance was noted in vegetable prices, textiles and non-ferrous metals, but in the majority of instances changes were slight. In the United States, prices have been moving upward, although trading is comparatively light.

	Latest week	Previous week	Same week last yr.
Cattle	$6.55	$7.25	$6.00
Hogs	9.60	10.00	10.25
Copper, lb.	.08	.08	.09
Cotton, lb.	.1220	.1235	.1315
Rubber, lb.	.1194	.1216	.1464
Sugar, raw, lb.	.0320	.0329	.0318
Silk, lb.	1.51	1.45	1.20
Wheat (Man.) bus.	.80⅝	.80	.85⅜
Coffee, lb.	.06⅝	.06¾	.09¼
Weekly Indices			
N. Y. Annalist	123.0	123.4	115.5
Fishers'	81.7	81.6	78.1
N. Y. Journal of Comm.	79.0	78.7	76.3
Crumps (Brit.)	64.2	64.2	64.2
U. S. Labor	79.1	78.9	74.7
Canada (D.B.S.)	71.3	71.2	71.9

Monthly Indices

Canada (D.B.S.)	Latest w'sale	Prev. month	Same month last year
Retail (June)	78.7	78.7	78.0
W'sale (June)	71.5	72.3	72.0
U. S. Labor (May)	80.2	80.1	73.7
Gt. Brit. (May)	68.6	66.7	65.4

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar — 96 degrees centrifugal c/f New York: wheat—No. 1 Man North., Ft. W. Pt. A. basis: hides—heavy native steers: select bacons, Toronto.

1934 Fish Catch

The Canadian fisheries production in 1934 had a total value of slightly more than $34 millions, an increase of 24 per cent over the previous year.

BUILDING PERMITS UP DESPITE OFF SEASON

Figures for First Six Months Are Also Above 1934 Levels

Building continues to gain. The value of building permits issued by 61 cities in June was $5.1 millions. This was a gain of six per cent, as compared with the May total, $2.7 millions, or 112 per cent over June, 1934. All provinces except New Brunswick and Nova Scotia participated in the increase over a year ago.

Value of the building authorized in each month of this year has been higher than in the same month of 1934, and since January has been higher than in the same month of 1933. The cumulative total for the first half of 1935 is greater than in any of the last three years.

Although the improvement is partly due to the granting of permits for public buildings as an unemployment relief measure, the movement in general building has also been distinctly more favorable than in recent years.

Wholesale prices of building materials to the end of June, have been lower than in the first six months of any year for which records are available, with the exceptions of 1931 and 1932.

	June, 1935 $	May, 1935 $
P. E. I.	41,575	24,500
Nova Scotia	77,355	114,425
New Brunswick	35,451	39,505
Quebec	1,497,183	1,687,934
Ontario	2,338,877	2,152,273
Manitoba	189,485	181,480
Saskatchewan	39,185	142,690
Alberta	312,042	175,307
British Columbia	585,913	307,071
Canada	5,117,066	4,825,185

Eaton's Trade

The T. Eaton Co. accounts for more than seven per cent of Canada's total retail trade.

Background of Business

Back to 1929

Rural Hardware Sales Jump-Tomatoes and Summerwear

Due to improved buying power in rural districts through better prices for grain, tobacco, hogs, cattle, small fruits, etc., hardware business in July is reported from some localities to be up to the peak levels of 1929. The effect of higher tobacco prices last fall is said to have been particularly noticeable. Farmers in the tobacco growing sections of Western Ontario are reported to be putting up new barns and improving other equipment. The rural credit situation has improved generally.

This year's hay crop in many sections of Eastern Canada is the greatest in years. As a result sales of rope, hay forks, etc., are the best experienced in a long time. Grain and other crops are equally promising.

Many hardware wholesalers report a greatly increased volume of orders from dealers in rural districts. These indicate that with improved buying power there has been a very general return of business to the normal channels free from the price-cutting complication of the more stringent times.

Many stories are heard of farmers receiving big checks for the sale of their products and of coming into the market for merchandise which they have denied themselves for years.

While it is doubtful if this year's hardware will keep up to the pace set this month because buying has represented something of an accumulation it is a fact that certain wholesalers report volume so far as equal to the corresponding period in 1929.

Heat Boosts Summer Wear

Uniformly hot weather across the Dominion appears to have had a ballooning effect on retail sales of summer textiles for the first part of July. The ascension has made up for a sinking tendency for that part of June when the nation was being rained upon. Rise of sales for summer garments has not been uniform in all lines nor for all merchandisers. Neither has it been sensational. Only the optimists use the word "gratifying." The July heat, however, just steamed up in time to save the lightweight hat season from drowning.

Doubt Tomato Figures

The canned tomato situation has firmed up in recent weeks. Standard tomatoes that were selling around 65 cents f.o.b. factory not so long ago are today more like 75 cents, with choice anywhere from 77½ to 82½ cents factory plus tax. These are the prices to the wholesale trade. Many authorities maintain that Government figures showing quantities on hand as at March 31 last are far astray. They claim that there are not nearly as many tomatoes in the country as the statistics would indicate. Stocks are pretty much in the hands of the two large companies and there are not many left in Quebec. Canners are so convinced that the Government figures are wrong that they have been sizing up the situation for themselves by getting figures from different concerns. The matter will be taken up with Ottawa. It is felt that the issuing of "stocks on hand" figures from time to time does more to depress the market than any other factor. It will be recalled that the Government figures showed 1,600,000 at March 31 which is almost a year's requirements. Acreage is well down this year although it is still fairly large and so far the crop looks to be promising.

Canning Outlook

It is fairly definite now that there has been a substantial pack of peas in Ontario. The trade is talking 100 per cent as far as contracts are concerned. There is, however, difference of opinion as regards the quality. In some sections it will no doubt run largely to standards, but in others canners have been securing a higher percentage of better grades than for the past two or three years. At any rate the weather this year has been more or less favorable to a large pack.

It is too early to say anything definite about canned tomato and corn packs, although up to the present the growing conditions have been favorable. Undoubtedly there is a smaller acreage in tomatoes this year because of the reported big hold-over, but everything points to a fairly good pack. This year tomatoes have been selling at exceedingly low prices—lower by a good deal than canners can pack them. On the other hand new corn this year will come on practically a bare market. The statistical position has been, and is, quite firm, with nothing but a small quantity of 1934 pack left. What is left is in the hands of the large canners.

A good crop and good pack of most all of the fruits are forecast. Strawberries were good, although toward the end of the season too, much moisture made them watery. The actual pack of strawberry jam was not large, and there is a keen demand for pulp from the Old Country which may help to advance prices here. The raspberry crop has been good, and so has the cherry. Everything looks especially favorable for peaches and about the only fruit that may be at all short is the Kieffer pear, which forms the biggest percentage of the canned pear pack and figures largely in export. There will be a better crop and pack of Bartletts than a year ago although some orchards are slim.

June Business Continues General Upward Progress

Generally business is better. After removal of seasonal variation, The Financial Post business index for June moved up to a new high on the current movement at 100.8. The increased activity served to further the upward trend which has been practically continuous since the beginning of this year, and represents a gain of 1.2 points over the May figure of 99.6.

An upswing in construction contracts awarded and in building permits was a leading factor in maintaining progress. This movement was in contrast to the customary summer dullness. Output of steel ingots and pig iron recorded minor gains after seasonal adjustment, although production of automobiles was off sharply. Flour milling, sugar refining and imports of raw cotton and wool were other bright spots in the industrial production picture.

On the other hand, operations in the boot and shoe industry were not quite maintained, newsprint production showed a slight decline after seasonal adjustment, carloadings were down and external trade in general was lower than the high level of May. Production of foodstuffs, too, was substantially lower, owing mainly to lessened activity in the slaughtering industry.

In regard to mineral production, exports of copper and asbestos, production of lead and shipments of silver were all higher than in the previous month. However, nickel exports showed a contra-seasonal decline, and zinc exports, gold shipments and bauxite ore imports were also lower.

MAJOR CANADIAN ECONOMIC FACTORS

	June 1935	May 1935	June 1934	Inc. (+) or Dec. (—) June 1935-1934
Financial Post business index	100.8	99.6	97.4	+ 3.5
Wholesale prices	71.5	72.3	72.1	— 0.8
Common stock prices	93.8	93.6	87.2	+ 7.6
Shares traded, Montreal, no.	228,433	350,738	244,643	— 6.6
Reciprocals of Dom. bond yields	136.2	140.0	121.8	+ 11.8
Life Insurance Sales	32,112,000	27,423,000	32,277,000	— 0.5
*Bank deposits	106.1	107.1	100.5	+ 1.0
Mineral production:				
Copper exports, cwt.	377,461	345,974	210,085	+ 79.7
Nickel exports, cwt.	99,511	102,376	109,803	— 9.4
Zinc exports, cwt.	152,011	263,374	223,244	— 31.9
Gold shipments, fine oz.	257,005	278,678	262,917	— 2.2
Silver shipments, fine oz.	1,427,825	831,003	732,328	+ 95.0
Manufacturing production:				
*Flour productions, bbls.	1,164,322	965,765	1,175,433	— 0.9
*Rolled oats production, lb.	7,538,950	6,513,572	6,132,154	+ 22.9
Cattle slaughterings, no.	117,119	140,094	115,564	+ 1.3
Hog slaughterings, no.	194,613	244,893	222,709	— 12.6
Raw cotton imports, lb.	7,397,290	6,316,015	13,415,388	— 44.9
Cotton yarn imports, lb.	392,808	465,432	357,655	+ 9.8
*Leather boot and shoe production, pair	1,899,077	1,912,398	1,778,700	+ 6.8
Newsprint production, tons	232,020	242,693	229,637	+ 1.0
Steel ingot production, tons	73,450	72,811	64,013	+ 14.7
Pig iron production, tons	44,555	45,432	37,306	+ 19.4
Automobile production, no.	15,745	20,765	13,905	+ 13.2
Petroleum imports, gal.	131,873,166	113,131,917	114,880,249	+ 14.8
Crude rubber imports lb.	3,215,286	8,800,907	4,946,790	— 35.0
Export of planks and boards ft.	129,800,000	129,517,000	123,730,000	+ 4.9
Construction: Contracts awarded	$18,521,400	16,302,400	12,208,900	+ 51.7
Building permits	$ 5,117,066	4,799,285	2,411,460	+112.2
Railways: Carloadings, no.	185,880	188,351	193,367	— 3.9
Eternal trade: Imports	$46,738,689	54,547,747	46,185,892	+ 1.2
Exports	$52,787,076	62,947,312	58,642,552	— 10.0

*Preceding month.

Business Indicators

Building Permits—Six per cent higher than May and 112 per cent higher than June last year. Movement in general building operations, apart from relief undertakings, has been distinctly more favorable than in recent years. All provinces, with the exceptions of Nova Scotia and New Brunswick, recorded higher totals than in June, 1934, with the greatest increases in Ontario and Quebec.

Iron and Steel Production—Showed an increase of 19 tons a day in June over the previous month. Steel mill operations showed considerable improvement over last year, and some good sized orders for railway equipment were placed recently. Price changes were narrow. Of the 11 blast furnaces reporting, seven, representing 55 per cent of total capacity, were blown out as at June 30.

Newsprint—Decline in production was greater than seasonal for the month. Exports of planks and boards, while down from May, showed a gain over a year ago. Exports of shingles were heavy.

Carloadings—The better display made by railway freight movement last week reflected a more active movement in the western division. Eight of the eleven commodity groups recorded gains over the same week last year.

Life Insurance—Sales, while lower than in last June, made the best showing since January. The total was almost 17 per cent greater than in the previous month, with all areas showing gains.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1935	Latest 1934	Cumulative Total Jan. 1 to date 1935	Cumulative Total Jan. 1 to date 1934
Transportation—				
Car loadings (July 13)	▲45,668	45,389	1,199,488	1,180,150
C.P.R. gross earn. (July 14)	$ ▲2,428,000	$ 2,430,000	$ 61,392,000	$ 61,962,000
C.N.R. gross earn. (July 14)	$ ▲3,306,396	$ 3,282,912	$ 86,521,259	$ 85,807,354
Business Conditions—				
Weekly index D.B.S. (July 13)	▲98.6	94.6	......	......
MONTHLY DATA	**1935**	**1934**	**1935**	**1934**
Business Conditions—				
Financial Post index (June)‡	▲100.8	97.2	......	......
Transportation—				
C.P.R. net earnings (May)	$ 1,143,913	$ 1,801,927	$ 4,658,206	$ 6,298,832
C.N.R. net revenue (May)	$ 656,319	$ 1,819,036	$ 2,673,397	$ 3,390,248
Iron and Steel (June)—				
Pig iron production (tons)	▲44,555	37,306	259,777	157,827
Steel ingots and castings prod., (tons)	▲73,450	64,013	388,163	397,522
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (May)	13,832	11,868	47,127	35,614
Factory output (June)	▲12,276	10,810	90,327	67,084
Trucks and Buses:				
Domestic sales* (May)	2,694	1,899	8,973	5,120
Factory output (June)	▲3,469	3,095	20,939	14,900
Exports (June)	▲4,873	5,298	33,578	23,911
Construction—				
Building permits (June)	$ ▲5,117,066	$ 2,411,460	$ 24,629,071	$ 10,411,377
Contracts awarded (June)	$ 18,521,400	$ 12,208,900	$ 75,594,500	$ 60,916,700
Newsprint (tons)				
Production (June)	232,020	229,637	1,284,903	1,261,633
Exports (May)	239,880	207,070	936,333	923,281
Sugar (lb.)				
Melting & shipments§	93,608,459	90,494,545	291,101,960	239,210,876
Manufactured§	87,364,302	84,064,288	294,392,109	232,863,257
Flour (bbls.)				
Production (May)	1,164,322	1,175,433	5,142,549	5,472,776
Wheat flour exports (June)	429,561	441,064	2,242,985	2,533,611
Trade (June)—				
Imports	$ ▲46,738,689	$ 46,185,892	$ 260,387,393	$ 247,389,850
Exports	$ ▲51,869,189	$ 58,045,528	$ 300,265,149	$ 289,659,061
Wheat exports (bush.) (June)	6,494,622	18,425,933	45,005,521	64,721,344
Employment, D.B.S. Index—				
All industries (June 1)	95.1	96.6	......	......
Manufacturing	95.4	93.2	......	......
Electric Power Output (May)				
Total monthly (000's omitted)	1,923,071	1,830,820	9,563,841	8,665,752
Aver. daily	62,034,000	59,059,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & Board exports, mill (May)	129,517	112,777	457,365	503,929
Boot & shoe prod., pr. (May)	2,032,751	1,884,996	8,907,936	7,580,843
Crude petrol., imp. gal., (May)	113,131,917	98,879,935	310,749,567	313,274,734
Cotton imports, lb., (May)	6,316,015	15,987,306	43,654,569	59,208,757
Raw rubber imp., lb. (May)	8,800,907	4,967,810	26,724,481	26,033,374
Coal imports, tons (May)	1,485,060	1,548,268	3,639,790	3,668,548
Finance—				
Bank debits† (May)	$ 3,132,209	$ 3,128,964	$ 12,505,825	$ 12,840,587
Bond sales (May)	$ 58,977,182	$ 75,306,737	$ 218,354,656	$ 180,838,335
Life insurance sales (June)	$ ▲32,112,000	$ 32,277,000	$ 181,557,000	$ 188,085,000
Automobile Financing—				
Used cars (May)	$ 2,478,268	$ 1,953,204	$ 7,186,121	$ 5,213,586
New cars (May)	$ 3,668,725	$ 2,852,630	$ 10,463,413	$ 7,170,776

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to June 15. ‡Preliminary.

Government, Municipal and Corporation Bonds

List of offerings, or current quotations on any issues, furnished promptly on request.

Royal Securities Corporation
Limited

244 St. James Street MONTREAL
330 Bay Street TORONTO 2

Halifax, Saint John, Quebec, Ottawa, Winnipeg, Vancouver, Charlottetown, Hamilton, Calgary, St. John's, Nfld., New York, London.

A FALLING BUILDING MAY WRECK OTHERS

Similarly the FAILURE of one concern frequently drags into bankruptcy several others. It is impossible to forecast such events. But you can safeguard yourself against them with Credit Insurance.

Right now, some of your best customers may be on the verge of failure. Who knows? Play safe -- don't gamble with your credit accounts. Guard them with

Credit Insurance

We protect you *definitely* against Abnormal Credit Losses -- we enable you to sell safely, fearlessly, in any market at any time.

Simply written policies covering Individual Debtors, Selected Groups of Debtors, Non-Rated Debtors, etc., are now available. Free Collection Service greatly liberalized.

Your Credit Manager and Treasurer will welcome the protection of Credit Insurance. Your Auditor and Banker will approve.

CANADIAN DIVISION
AMERICAN CREDIT INDEMNITY COMPANY
of New York. J. F. McFadden, *President*

F. A. REID, *General Agent* — 505 Canada Cement Building, Phone: LA. 3258-3259, MONTREAL, QUEBEC, CANADA
T. F. McOUAT, *General Agent* — 34 Montreal Street, Phone: 1156M, SHERBROOKE, QUEBEC, CANADA
C. A. MULLEN, *General Agent* — The Metropolitan Building, Phone: ELgin 9303, TORONTO 2, ONTARIO, CANADA

CREDIT INSURANCE EXCLUSIVELY SINCE 1893

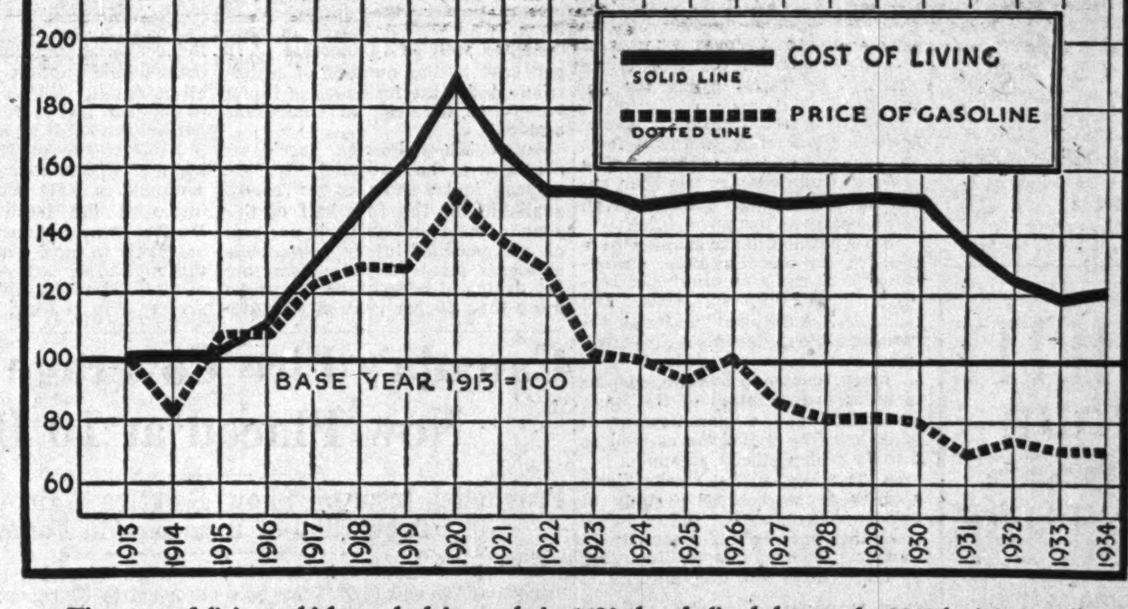
W. C. Pitfield & Company
Limited
INVESTMENT SECURITIES

Head Office
235 St. James Street West
MArquette 9321
MONTREAL

Private Wire—Halifax to Vancouver, with connections at Saint John, Montreal, Ottawa, Toronto, New York, Winnipeg and Calgary.

Correspondents
THE KENTERNE TRUST LIMITED, London, Eng.
MANNING & CO. LIMITED, Barbados, B.W.I.
AGOSTINI BROS., Trinidad, B.W.I.
T. GEDDES GRANT LIMITED, Jamaica, B.W.I.

Branches
VANCOUVER, Royal Bank Bldg.
TORONTO, 80 King St. West
OTTAWA, 140 Wellington St.
QUEBEC, 65 St. Anne Street
SAINT JOHN, 20 King Street
MONCTON, Lounsbury Building
HALIFAX, 157 Hollis Street



The cost of living, which reached its peak in 1920, has declined; but on the 1913 basis it is still much higher than the price of gasoline. In 1934 the cost of living was 20.7 per cent. higher but the price of gasoline was 28.4 per cent lower than in 1913. The data for this graph are based on figures published by the Dominion Bureau of Statistics.

LIVING COSTS MORE BUT GASOLINE COSTS LESS

THE cost of living in Canada in 1934 was approximately 21 per cent. higher and the price of gasoline 28 per cent. lower than in 1913. The price of gasoline never rose to as high a peak as did the cost of living. Since 1920 gasoline prices have declined almost continuously to the present low level.

Imperial Oil has always sought for economical ways of doing business and has always passed on to the consumer the benefits of such economies. Imperial Oil operates on a very small profit and in 1934 earned an average of slightly more than one-half of one cent per gallon on gasoline.

Not only is gasoline cheaper than ever—it is better than ever. Imperial Oil research laboratories played a leading part in developing fuels for modern motors. Imperial gasoline of 1935 is a far better gasoline than that of 1913 yet it sells at a price considerably lower.

IMPERIAL OIL LIMITED

THE SIGN OF IMPERIAL PRODUCTS A FAIR DEAL

J. A. MACFARLANE, A.I.A.

The Northern Life Assurance Company of Canada announces the appointment of Mr. J. A. Macfarlane to the position of Agency Manager of the Company's Pacific Coast agency, with headquarters at Vancouver.

Mr. Macfarlane has had a very successful record in his previous life insurance experience. His abilities as an organizer have met with marked success.

Mr. Macfarlane's appointment marks the first step in a Northern Life program of expansion on the Pacific Coast. He will assume his new duties during August.

United States Fidelity & Guaranty Company
TORONTO

Insurances and Reinsurances at
LLOYD'S, LONDON

We offer to responsible brokers and agents the facilities of the London Market in Fire, Automobile, Marine and Miscellaneous Lines.

ANGLO-CANADIAN UNDERWRITERS LIMITED
320 BAY ST., TORONTO, CANADA
Phone ADelaide 6071
Chairman ROBT. H. COOK — Underwriter EDWIN T. CUTTS

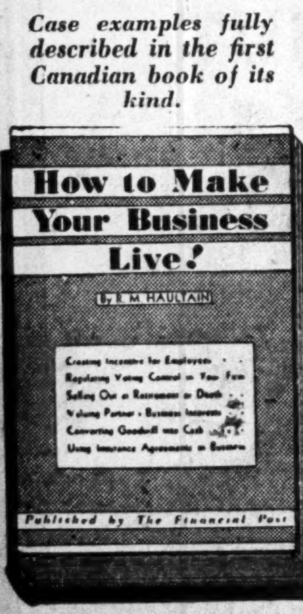
THE COMMERCIAL TRAVELERS
MUTUAL ACCIDENT ASSOCIATION OF AMERICA
H. E. TREVVETT, Secretary
140 Wellington Street, OTTAWA, ONTARIO

STABILITY IN YOUR BUSINESS STRUCTURE

This handbook for business men contains stabilizing plans financed by

BUSINESS Life Insurance

Case examples fully described in the first Canadian book of its kind.



Price $2.00
(Second printing now available)

See Chapter II "STIMULATING EMPLOYEE INTEREST IN A RETAIL STORE"

A mutual interest plan to increase efficiency and profits in the sole-ownership business.

THE FINANCIAL POST,
481 University Avenue,
Toronto 2, Canada.

Please send me postpaid ...... copies of the book, HOW TO MAKE YOUR BUSINESS LIVE.

Enclosed is $ ....in payment.

Name ....

Address 584

GOV'T REVENUE SHOWS ADVANCE IN INCOME TAX

June Experience May Augur Unfavorably for Future

Income tax has been accounting for nearly half the Dominion government's revenue. In the three months to June 30, income tax returns more than accounted for the gain of $12.6 million in revenue. Higher rates, of course, have caused the gain in income tax revenue.

The government's expenditures are running higher than in 1934, chiefly because of the Public Works Construction Act 1934. Thus, under "special expenditures," unemployment relief is costing less than a year ago, but higher works expenditure more than offsets the reduction.

Budget Position

The budget position deteriorated somewhat in June. Revenue fell below the 1934 level and expenditure rose above it. This trend may continue, since most of the year's income tax revenue has now been collected. Last year there were monthly gains in most revenues. Not so in 1935. For the first three months, however, the government is $11.6 million better off than it was in the 1934 period.

The Financial Post's compilation of the government figures follows:

Dominion Revenue and Expenditure
Three Months to June 30

Revenue:	1935 $ 000's	1934 $ 000's	Change $ 000's
Customs duty	18,579	20,879	—2,300
Excise duty	10,996	9,716	+1,280
Excise taxes	21,703	23,751	—2,048
Income tax	54,295	38,717	+15,578
Gold tax	1,383	1,486	—103
Post office	6,801	6,602	+199
Miscellaneous	3,784	3,772	+12
Special	30	62	—32
Total	117,570	104,985	+12,585
Expenditure:			
Ordinary	86,794	88,950	—2,156
Special	10,820	6,835	+3,985
Capital	526	1,396	—870
Total	98,140	97,181	+959
Month of June			
Revenue:			
Customs duty	6,048	6,456	—408
Excise duty	4,075	3,688	+387
Excise taxes	9,448	9,879	—431
Income tax	3,629	2,488	+1,141
Gold tax	178	776	—598
Post office	2,300	2,201	+99
Miscellaneous	1,332	1,527	—195
Special	25	56	—31
Total	27,035	27,071	—36
Expenditure:			
Ordinary	22,967	22,607	+360
Special	4,606	3,683	+923
Capital	234	158	+76
Total	27,807	26,448	+1,359

New Books

CANADA YEAR BOOK, 1934-35. Published by the King's Printer, Ottawa. Price, $1.50.

This is the official statistical annual dealing with every phase of the social, economic, and national life of Canada. The new edition has been thoroughly revised and includes all the latest information available at the date of going to press.

Many new additions and improvements feature this year's publication. The most important include a discussion of the Representative Act of 1933 and a special population-election table on which members will be elected in the forthcoming general eection. Religions are also cross-analyzed by racial origin for the first time.

A special section on economic geology gives many pertinent facts on Canada's mining industry. The external trade chapter has been enlarged, while retail trade is given full coverage.

In the public finance chapter there appears, for the first time, a comparative analysis of provincial revenues, expenditures, assets, and liabilities. Additional material regarding national income is also tabulated.

The currency and banking chapter includes a description of the Bank of Canada and a classification of bank loans by industries as well as a study of deposits by amounts.

In the miscellaneous section there appears a comprehensive study of liquor control, sales, and revenue from this government monopoly in Canada. The volume is illustrated by many maps and diagrams.

THE ECONOMIC BLIZZARD—By E. S. Rutledge, Fort William Ontario.

Mr. Rutledge is an insurance man who has lived for 50 years in Fort William. He satisfies a craving for writing by numerous letters and pamphlets on economic subjects. In this little pamphlet he urges Canada, in the crusading spirit, to reclaim and subdue northern expanse of virginal lands and make it the fit abode for another ten million people. Part of his proposal involves a revival of immigration from overseas.

THE PROBLEMS OF THE FOREIGN EXCHANGES. By L. L. B. Angas. Published by the Ryerson Press, Toronto, at $4.

Having achieved some international fame as a financial pamphleteer and prophet, Major Angas now turns his attention to the writing of full-length economic books. The man who forecast The Coming Collapse in Rubber and The Coming Rise in Gold, but who was wrong about The Coming Collapse of Gold and a little previous about The Coming American Boom, has retired from the field of investment advice to edge in among the economists. He is writing a series of three books on money and this is the middle book. It is readable and useful but a curious mixture of doctrinaire economics and brash advice to the nations on what they should do in the current emergency.

Major Angas starts the reader off with a very clear picture of the essential conflict inherent in monetary policies, one that Canada must struggle with daily. The statesman's dilemma is to decide where the emphasis in monetary policy should lie; is it preferable to take the national view and stabilize prices at home, regardless of what happens to foreign exchanges, or to stabilize international currencies vis-a-vis one another, regardless of what happens to price levels at home? Major Angas does not hesitate to urge that the national viewpoint be taken.

Major Angas is one of those who believe that an international monetary system (except, of course, one currency operated by one international bank, a very remote prospect) is a will-o'-the-wisp. "There is," he says, "an inherent conflict between the rigid gold standard and a stable internal measure of value."

When the countries have put their currencies in order, when they increase or decrease money, when prices and profits begin to fall and rise and allow their exchanges to fluctuate as freely as they should, the world will enter upon an era of prosperity and abundance. So argues Major Angas.

His book appears just as the International Chamber of Commerce in Paris has reviewed the world situation and declared solemnly that currency stabilization between the nations is a condition precedent to prosperity. The I. C. C. is backed by most of the conservative economists and sound money men of the world but there are being constantly challenged by newer and bolder spirits who have no hesitation in laying our troubles at the door of policies based upon economic doctrines they consider "outworn" and mistaken.

REVIEW OF WORLD TRADE, 1934—Published by the League of Nations, Geneva. Price, 65 cents.

The gold value of world trade fell by 3.5 per cent in 1934, according to the Review of World Trade published by the League of Nations. Measured in sterling, however, the value rose by 6.3 per cent. While average gold prices continued to fall, the quantum of trade increased by 3 per cent, as against 2 per cent in 1933, to a lower representing 77.5 per cent of the 1929 figures.

Out of the wealth of statistical and interpretative material contained in this official trade publication there stand out a number of important facts. Trade in foodstuffs increased only slightly in 1934, while there was no gain in raw materials. The expansion last year was, according to this survey, largely made in manufactured articles.

Because of unfavorable developments on the continent, the recent increase in the quantum of world trade must be attributed mainly to transactions between continents other than Europe. Among industrial countries the United States and the United Kingdom increased their share in world exports in 1934.

United States exports in manufactured goods rose as much as 30 per cent. On the other hand, Germany and Italy increased their imports. The imports of the United Kingdom exceeded those of the United States by over 100 per cent in 1934 as against only 25 per cent in 1929.

Sees Failure Peat Lobby As Tests Unsatisfactory

From Our Own Correspondent

OTTAWA:—The persistent lobby for a subsidy to be paid to a British syndicate which owns a new patented process for converting peat into briquettes is now believed certain to fail.

The syndicate invited the Dominion government to send engineers to Europe to inspect briquetting plants already in operation—chiefly in Denmark—and these engineers have returned to Ottawa and are writing their report. It is understood that the report will be most unfavorable.

The syndicate is known as the Balfour group of London, Eng., and its chief representative at Ottawa has been a former western Canadian, Ex-Mayor Brown of Medicine Hat. The proposition is that the Dominion should provide a subsidy of $1 per ton and the syndicate would erect briquetting plants near the large urban centres, using, it is claimed, almost limitless peat bogs as raw material. The briquettes would be sold at prices which would compete with imported anthracite coal. It is claimed that the Dominion would soon become independent of foreign domestic fuel.

The report of the engineers, it is disclosed, will declare that the briquetting process is still very much in the experimental stage and, also, that the efficiency of the briquettes has been grossly overrated. Instead of being but slightly inferior in heat units to coal, the briquettes are markedly so. Indeed, it is said that it would require two tons of briquettes to equal one ton of coal.

Lavish Lobby

The syndicate has put on the most lavish lobby seen at the Capital in years. The highlight of the drive for a subsidy was a dinner given to all members of Parliament at the Chateau Laurier. This dinner, it is understood, called forth very emphatic condemnation from the government.

One of the earlier converts to the proposition was Hon. Harry Stevens who now proposes in his manifesto to encourage briquette production. Hon. J. D. Chaplin, Conservative member for Lincoln, is another advocate of the new process, according to reliable information obtained here.

Fire and Casualty News

RECORDS SHOW PEDESTRIAN TOLL CONTINUES HEAVY

Alcohol Looms as Growing Cause of Street and Motor Accidents

Alcohol and pedestrians feature the semi-annual tabulation made by the Travelers Insurance Co. of Hartford of street and highway accidents in the United States. The compilations, made from state records, show 15,200 persons killed and 300,000 injured in the first 6 months of the year. The death toll is 2 per cent less than in the same period a year ago, although final figures may wipe out this narrow margin.

Half are Pedestrians

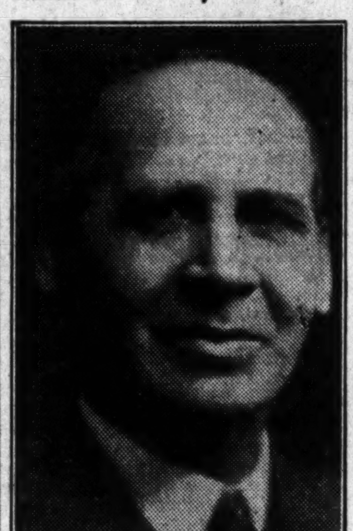
Eight thousand of the total of 15,200 deaths have been pedestrians. Nearly 3,100 persons have been killed in collisions between cars. Almost 500 persons have been killed in the collision of automobiles and trains. The percentages of deaths of pedestrians and persons involved in collisions between cars as well as in automobile-train collisions have been greater this year than the corresponding part of last year. More than 1,500 have been killed in the collision of automobiles with fixed objects and nearly 1,500 also have been killed in non-collision accidents, both of which totals are less in percentage than the first six months of last year.

Alcohol Growing Cause

Records show an increase of almost 13 per cent in the number of drivers under the influence of liquor who were involved in accidents, as well as an increase of 10 per cent in the number of pedestrians under the influence of liquor who were involved in automobile accidents.

Automobile-pedestrian accidents continue to be extremely serious, present figures show, as the records available for the first half of this year indicate that about 40 per cent of all personal-injury automobile accidents involved pedestrians, but the deaths of pedestrians comprised more than 50 per cent of all automobile accident fatalities. Although automobile-train collisions the first six months of this year accounted for half of one per cent of all personal-injury accidents, the deaths resulting from such mishaps were in excess of 3 per cent of the total of 15,200. Non-collision accidents accounted for less than 5 per cent of the accidents, but the deaths from them totalled almost 10 per cent of all fatalities. With more cars now in use than last year, the number of persons who will be killed this year is likely to exceed the present estimate of 35,600, because of upward revisions in state reports in keeping with the trend of fatalities. Deaths from automobile accidents are likely to show a spurt beginning this month, as last year the record of fatalities in July was 12 per cent greater than in June.

Canadian Surety Chairman



THOMAS BRADSHAW

Widely known financier and president of the North American Life, who has been elected chairman of the board of the Canadian Surety Co. Mr. Bradshaw has been a director of the company since 1913. John B. Alexander, general manager, has been elected vice-president.

Canada's Fire Coverage Now Placed at 10 Billion

Provincial Insurers Show Relative Gain in Annual Tabulation of Insurance in Force

Total fire insurance in force in Canada at the end of 1934 has been calculated at just over $10 billions according to preliminary abstract figures released from Ottawa last week. This compares with a revised figure of $10.2 millions in 1933 and 10.6 millions in 1932.

The figure includes both business of companies registered under federal jurisdiction at Ottawa and those licensed by the various provinces. Provincial business in force increased during the year from $1,190 millions to $1,240 millions.

Lower Loss Ratio

Provincial companies also improved their ratio of net premiums written to net losses incurred during the year. In 1933 all provincial companies reported to the federal government a loss ratio of just over 66 per cent. This year this figure has dropped to 52 per cent. The companies licensed to operate under federal aegis showed a corresponding loss ratio for 1934 of just over 40 per cent. Loss ratio for all companies, according to the tabulation published subsequently, is something over 42 per cent—a very substantial improvement over 1933.

Provincially licensed companies also improved their volume of business written during the year, the 1934 total rising to $5.6 millions compared with $5.3 millions the previous year. Federally licensed companies wrote slightly less than the previous year at $41.5 millions.

A complete tabulation of 1934 figures with comparative totals for the previous year, as reported by G. D. Finlayson, federal insurance superintendent, follows:

	Net Ins. Written $	Net Ins. in Force Dec. 31 $	Net Premium Written $	Net Losses Incurred $
Dominion Co's.	9,539,849,321	8,836,602,177	41,493,762	16,967,065
Provincial Co's.	625,455,977	1,240,396,613	5,589,975	2,921,249
Total, 1934	10,165,305,298	10,076,998,790	47,083,737	19,888,314
1933	11,081,789,743	10 202,771,931	46,879,014	25,207,011

Life Insurance News

June Insurance Sales Up 17 Per Cent Over May

But New Business Sold in First Half of Year Falls Below Total of 1933 and 1934

With a June total of over $32 millions, sales of ordinary life insurance in Canada and Newfoundland made the best showing since January of this year. The mid-summer figures were almost 17 per cent better than the total for the previous month. All areas, without exception, showed gains.

Compared with June a year ago, sales were slightly lower, the 1935 figure being about .5 per cent below the total for June, 1934. By areas, for this comparison showed four out of five provinces to have made gains, while in the three Maritime Provinces and Quebec and Alberta, sales were less than a year ago. Newfoundland showed a good gain compared with the same month in 1934.

Six Months Sales Lower

For the first six months of 1935 total sales of new life insurance, on the basis compiled by the Sales Research Institute, were 4 per cent less than in the same period a year ago. The 1935 total was $181.6 millions compared with $189.1 millions the previous year. In the first six months of 1933, total sales were $191.8—or about 5.3 per cent more than in the first six months of 1935.

Comparative figures by months and areas follow:

Sales of New Paid-for Ordinary Life Insurance

(A) Sales by Areas

	June, 1935 $	May, 1935 $	June, 1934 $
B. C.	2,239,000	1,836,000	2,133,000
Alta.	1,179,000	1,095,000	1,382,000
Sask.	1,207,000	931,000	991,000
Man.	1,844,000	1,471,000	1,758,000
Ont.	14,559,000	11,974,000	13,065,000
Que.	9,020,000	8,195,000	10,712,000
N. B.	666,000	637,000	784,000
N. S.	977,000	930,000	1,088,000
P. E. I.	119,000	72,000	142,000
Nfld.	302,000	282,000	222,000
Total	32,112,000	27,423,000	32,277,000

(B) Sales by Months, 1933-35

	1933 $	1934 $	1935 $
Jan.	29,928,000	27,728,000	32,988,000
Feb.	28,095,000	29,036,000	28,716,000
Mar.	31,768,000	32,564,000	31,416,000
April	30.591,000	33,296,000	28,900,000
May	31,916,000	33,184,000	27,423,000
June	34,114,000	32,277,000	32,112,000
July	32,165,000	33,951,000	....
Aug.	29,749,000	26,659,000	....
Sept.	27,443,000	26,123,000	....
Oct.	33,434,000	31,342,000	....
Nov.	36,061,000	35,863,000	....
Dec.	38,967,000	37,691,000	....

Figures represent new paid-for ordinary business by 19 companies having in force at Jan. 1, 1935, 90 per cent of the total business in force in Canada. Figures represent both Canada and Newfoundland and are prepared by the Sales Research Bureau, Hartford, Conn.

THREE SCORE UNDERWRITERS GAIN AWARDS

Mutual Life Agents Lead in Achieving Degree of C. L. U.

Thirty-two Canadian life insurance underwriters may now use the designation C.L.U. (Chartered Life Underwriters) after their names, having successfully passed their third year examinations and been awarded this degree. Examinations were held in May. Last year 52 candidates were successful in achieving this distinction.

In addition seven candidates passed their third year exams successfully but have not as yet qualified in other respects for the C.L.U. degree.

Some 38 candidates from all parts of Canada were successful in passing their second year examinations leading toward this degree while 47 underwriters were successful in their first year tests.

Mutual Life Leads

Of the 32 who were awarded the C.L.U. degree, 19 were from Ontario; 5 from British Columbia and 4 from Quebec. There were 13 companies represented by the awards, most of which had but one or two successful recipients. Mutual Life of Canada led the list with 8 while Sun Life ranked second with 6 and London Life next with 5.

The C.L.U. degree is awarded by the Life Underwriters Association of Canada and goes to those who have demonstrated "by examination; their knowledge of the various phases of their work covered by the subjects involved and their fitness to render to the insuring public the highest type of life underwriting service."

The following underwriters were successful in passing their third year examinations and were awarded this degree:

British Columbia

Nelson—Robert E. Crerar, North American Life.

New Westminster — Oscar A. White, Mutual Life of Canada.

Prince Rupert—Salem J. Jabour, Sun Life of Canada.

Vancouver — Saburo Shinobu, Manufacturers Life. R. H. Walsh, Metropolitan Life.

Saskatchewan

Regina—Vern C. Hortness, London Life.

Manitoba

Winnipeg—Percy V. Bond, Great-West Life Ronald B. Gay, London Life.

Ontario

Fort William—George Wardrope, London Life.

Haileybury—Kenneth M. Stephen, Mutual Life of Canada.

Hamilton—Kenneth G. Brown, Canada Life. Thomas S. Lawrason, Mutual Life of Canada.

Ottawa—Harold F. Grace, Mutual Life of Canada. Henri Laframboise, Northern Life.

Sarnia — Aubrey W. Oldham, Mutual Life of Canada. Robert J. Wilkinson, London Life.

Stayner — William R. Hawkins, Sun Life of Canada.

Toronto — Stanley B. Chadsey, Mutual Life of Canada. James Crossland, Mutual Life of Canada. Gerald E. L'Aventure, London Life. A. Campbell McIntyre, Ont. Equitable Life. D. C. MacDonald, Prudential of America. Walter L. MacDonald, Travelers of Hartford. Augustus G. Smith, Great-West Life. Donald J. H. Turner, Sun Life of Canada.

Windsor — William A. Murphy, Metropolitan Life. Miss Florence M. Robinson, Canada Life.

Quebec

Montreal—James E. Carson, Sun Life of Canada. Stanley A. Neilson, Sun Life of Canada. Sidney H. Smith, Sun Life of Canada.

Noranda—William M. Ireton, Confederation Life.

New Brunswick

Saint John—James S. Angevine, Mutual Life of Canada.

Appointments Made By Metropolitan

The following promotions in the field are announced by the Canadian head office of the Metropolitan Life: Cecil A. Fullerton, formerly agent at Moncton, N. B. district, appointed assistant manager, local section, of the same district; Earl Wm. Holdsworth, formerly agent at the Vancouver South district, appointed assistant manager, same district; Herbert C. Smith, formerly agent at the Windsor district, appointed assistant manager at the Westdale (Hamilton) district; Edward Y. Baker, assistant manager at Deer Park (Toronto) district, appointed agency sales instructor; Frank W. Godwin, formerly employed as agent at the Deer Park district, appointed assistant manager at the same district; Arthur J. Brown, formerly assistant manager at Sudbury district, is appointed agency sales instructor; Edward Henry Bauman, formerly agent at the Valleyfield district, appointed assistant manager at the Verdun (Montreal) district; Wm. A. Murphy, formerly assistant manager at the Windsor district, appointed agency sales instructor; Joseph Chartrand, formerly employed as assistant manager at the St. Jerome district, is appointed agency sales instructor; James M. Allan, formerly agent at the Windsor district, appointed assistant manager at the same district; Edward N. Vaillancourt, formerly agent at the Sudbury district, appointed assistant manager at the same district; Alton A. Jones, formerly agent at the Danforth (Toronto) district, appointed assistant manager at the same district; Frederick E. Johnson, formerly agent unattached at the Kingston district, appointed assistant manager at the same district.

Stratton Whitaker Opens General Agency in West

Stratton Whitaker, formerly managing director of the Portage la Prairie Mutual Insurance Co., has organized a new general insurance agency under the name of Stratton Whitaker, Ltd. Headquarters of the new company will be in the Somerset Building, Winnipeg, and branches will be opened at Portage la Prairie and Vancouver.

The company will act as provincial agents for Manitoba and British Columbia for the Home Fire Insurance Co. in the Manitoba for fire and automobile, for the Provincial Insurance Co., of London, Eng., for automobile, and will also have complete representation of Lloyds.

Mr. Whitaker has been appointed Manitoba manager of the Mutual Benefit Health and Accident Association, who are entering Western Canada.

Loan Interest Rate Data Asked of Life Companies

G. D. Finlayson, Dominion superintendent of insurance has requested life insurance companies to furnish information with regard to the rate of interest charged on outstanding and new policy loans, and details regarding any proposed changes in these rates.

With respect to existing rates, it is desired that distinction be made between policy loans and automatic premium loans, if any. Further, when interest is payable in advance, it should be stated whether the full nominal rate or merely the discounted rate is so payable. If interest is payable at intervals less than one year, the facts should be stated.

Just a bit of loose change

You can find it in almost any man's pocket any time.

He doesn't think much about it—doesn't even bother to keep track of it. It's just for incidental expenses.

Yet that loose change which he thinks scarcely worth a passing thought, if invested in a Sun Life policy suited to his own particular needs, would ensure protection for his family's future and comfort for his own later years. So much bought at so little cost!

Figure out with a Sun Life representative what your loose change will buy.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE — MONTREAL

Good Business to be Informed

Business Insurance is good business and a matter on which you might find it an advantage to be informed. Partnerships particularly have many peculiar angles of relationship which make business insurance imperative if the future of the business is not to be imperilled.

We will give you information on this vitally important matter if you desire it. Address your inquiry to our Head Office or to our nearest Branch Office.

THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE...WINNIPEG, CANADA

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE LIABILITY — WINDSTORM — SPRINKLER LEAKAGE — DOCTORS' AND DENTISTS' LIABILITY — AUTOMOBILE PLATE GLASS
Head Office—WAWANESA, Man.
Eastern Office—341 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Saint John, N.B.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST; ASSETS $5,183,603.19
ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30% ON RENEWALS

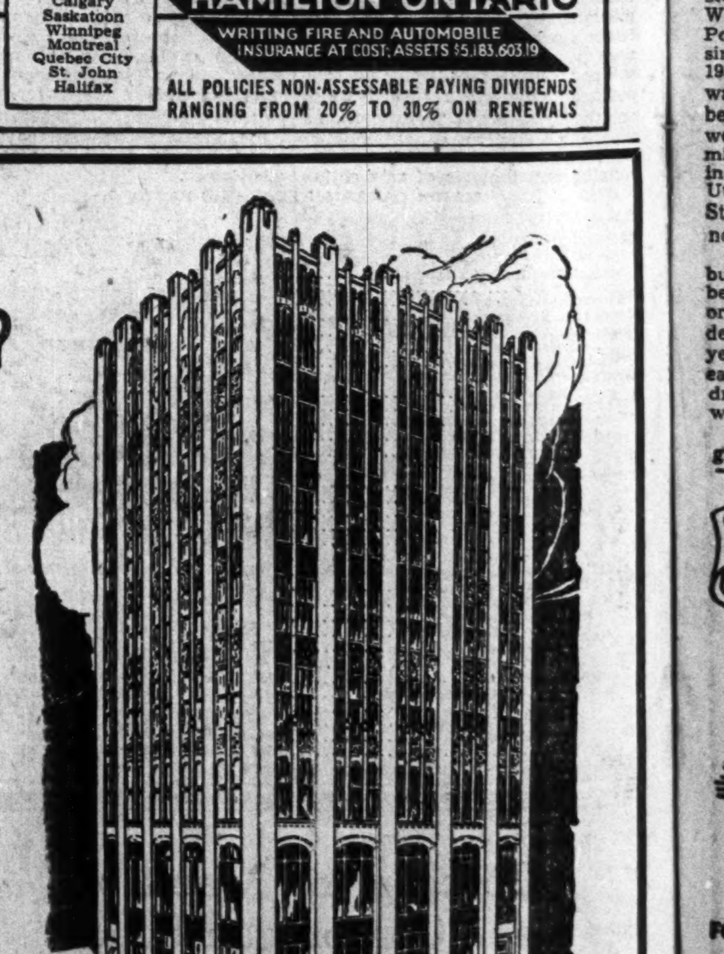
Moving to New Offices?

If so, you want thoroughly modern, fireproof offices served by swift elevators and flooded with sunlight and clean air. You want a central location, yet one that is free from traffic congestion and where plenty of nearby parking space is available. You want congenial neighbors, too, yet, very likely, you have definite ideas about the maximum rent you will pay.

Come, then, and inspect the MacLean Publishing Company's office building at University Avenue and Dundas Street, where there are a few small suites of offices available having each and every advantage enumerated above, at rentals that will attract you.

Apply to

The MacLean Publishing Company, Limited
481 University Avenue, Toronto
Phone: ADelaide 9131



Your Investments

What We Do:

1. Give information on Canadian securities to enquiring subscribers by early mail.
2. Publish anonymously on this page letters of general interest.
3. Supply an enquiry service of fact rather than of opinion.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on United States or foreign securities.
3. Reply by telephone or telegraph to enquiries.
4. Select lists of securities; express opinions; forecast the future.

Three-cent stamp must be enclosed. Write mining and insurance enquiries on separate sheets. Address the editor, The Financial Post, 481 University Ave., Toronto.

General Steel Wares

I notice that the first mortgage bonds of General Steel Wares have declined a few points in value lately. Can you give me any reason to account for this falling off? Is the company doing as well as it did last year?

We do not know of any particular reason why the bonds of General Steel Wares should have dropped in value in the last few weeks. We understand that for the first five months of this year earnings of the company were up to those reported for the same period in 1934. In addition the company continues to retire bonds; sinking fund payments already having been made for 1935. As already mentioned, returns to date are satisfactory, and as the biggest part of the year is still ahead of the company, expectations are that revenue for this year will compare favorably with that for 1934.

Walker Gooderham Worts

In April 1932 in place of my block of common shares in Walker-Gooderham & Worts, I was given some preferred and some common. I should like to know if the preferred shares have a par value, and the rate of interest; and if the interest is fixed or participating. Also can these preferred shares be paid off at any time at an arbitrary price. Considering the origin of the preferred shares, I think, with the improvement in business, the preferred shares should have a share in increased profits.

Hiram Walker - Gooderham & Worts Ltd. has outstanding 460,818 no par value cumulative redeemable voting preference shares. The stock has preference as to assets up to $20 per share and cumulative dividends at the rate of $1 per share per annum, payable quarterly. It carries one vote per share and is callable at $20 per share and accrued dividends or redeemable in the open market at a price not exceeding $20 per share. There is no provision for paying more than $1 a share.

Up to March 1, 1934, the company had purchased in the open market nearly 200,000 preference shares at an average cost of $9.42 per share. Since that time the company has been suspending further redemption because it has been using all its financial resources in expansion in the United States. It built the world's largest distillery on modern lines at Peoria, Ill., but this has just been destroyed by fire. This will delay realization of the company's various objectives.

The idea apparently behind the reorganization of the capital structure in 1932 was to give each shareholder, for each common share then held, one quarter share of preferred and one quarter share of common. As the company felt that on the rate of earnings then obtaining it could continue to pay dividends on the preferred stock, the holdings of common could be held by shareholders as a means of sharing in any future advancement. When the increased profits came, then the shareholder would share in the dividends on common. As preferred shares are progressively retired, this common should improve in value.

Can. Western Natural Gas

I hold a block of Canadian Western Natural Gas, Light, Heat and Power Co. preferred. This has paid six per cent regularly. Would more of this be a good investment?

Dividends on $3.5 millions of six per cent cumulative preference stock of $100 par value of Canadian Western Natural Gas, Light, Heat & Power Co. have always been paid since it was first sold in 1924. In 1930 and 1931 a bonus of ½ per cent was also paid and dividends have been paid on the common stock as well which is mainly held by Dominion Gas and Electric Co. which in turn is controlled by International Utilities Corporation, a United States company. The company has no funded debt.

There is a working capital deficit but apparently the company has been able to earn from two to three or four times over the actual dividends paid in the last six or seven years. During the depression the earnings of the preference have dropped to a little more than twice what is paid.

In 1933 and in 1934 there were progressive drops in revenue from gas payments though the number of meters increased.

The company owns renewable gas leases from the Crown on 2,200 acres and owns producing wells in the Bow Island, Foremost and Barnwell fields. These were closed down during 1933 and the company purchases all its gas from the Turner Valley oil field under Royalite Oil Co. It owns practically all of the known gas reserves within transportable distance of its market, or controls them. It is estimated by some authorities that a possible reserve of 300 billion cubic feet is in the Turner Valley country. Some of the surplus gas is used for putting pressure behind the excess gas in the Bow Island field which was formerly a large producer. At the end of 1934 it had been recharged with 6½ million cubic feet of gas, 1½ million cubic feet being added in 1934.

Canada Permanent

What security is behind an investment in Canada Permanent debentures?

Canada Permanent Mortgage Corp., at the end of 1934 reported debentures and debenture stock amounting to $42,397,251 and deposits of $15,216,613, or a total of $57,613,864. These liabilities were secured by liquid assets of $12,519,889; mortgages and interest of $52,481,023, and other net assets of $5,111,818. Thus, there is security of somewhat more than $120 for each $100 of debentures and deposits.

Standard Reliance

One of our clients has asked us for an up-to-date report on the Standard Reliance Assets.

We would greatly appreciate your courtesy in supplying us with this at your convenience.

Standard Reliance Assets Limited was formed to liquidate the real estate holdings of the defunct Standard Reliance Mortgage Corporation for the benefit of the latter's creditors. Assets are chiefly comprised of real estate, improved and unimproved, in the city of Toronto and during the past three years existing conditions have made it impossible to sell these properties. Income of the company is derived from sale of properties and payments on account of mortgages. The effect of the Ontario Mortgagers' Relief Act has been to reduce income on mortgages to a large degree. The net result is that the income of the company has barely been sufficient to cover carrying charges and operating costs and there has been no surplus available for dividends. This condition will continue to exist until there is a much better demand for real estate in Toronto.

The company states that preferred shareholders may expect to receive a further 25 cents per share payment on account of capital and possibly five cents per share on account of interest. To date, 75 cents per share has been paid.

There is no market for this stock and consequently no quotations are available. However, the Succession Duty Department has placed a value on the shares of 10 cents on the dollar for purposes of probate.

No annual statement of the company has been issued since 1930 due to the cost of printing and sending this report to shareholders. There is a possibility, however, that a financial statement will be forwarded in the early future.

Midland Loan

I have had enquiries as to the security behind the Guaranteed Trust Certificates issued by the Midland Loan & Savings Co., Port Hope. Can you help me?

Security behind the trust certificates of Midland Loan & Savings Co. can be judged by the following figures: At the end of 1934, the company had debentures of $2,074,675 and deposits of $330,794, a total of $2,405,469. To secure these liabilities, the company held liquid assets of $617,266, mostly in the form of bonds; mortgages of $2,694,384, and other net assets of $19,758. The bonds are worth more than the amount shown in the balance sheet. Thus, there is nearly $140 in security for each $100 of debentures or deposits.

George Weston

I am considering an investment in George Weston Ltd. but before I do this I would like to know the earning record of this company for the last few years, what ranks before the common and where this sock can be traded.

Capitalization of George Weston Limited at the end of 1934 was $900,000 of 7 per cent cumulative preferred stock of $100 par value and 187,929 no par value common shares. Dividends have been paid regularly on the common stock and on the preferred. The present rate on common is $1 per share and this was also paid at the rate of $1 a share on the old stock before the two for one split in 1934. The initial dividend was paid April 1, 1930, on the common stock and regularly since. Earnings since 1929 have been as follows: in 1930 $2.60 a share; in 1931 $1.46; $1.09 a share in 1932; $2.58 a share in 1933 and in 1934 $2.08 a share earned. The high point in 1935 for this stock was 46¼ and the low point 27. The stock is traded on the Toronto Stock Exchange.

The company has no funded debt of its own but at the end of the last fiscal year, Sept. 31, 1934 had mortgages outstanding amounting to approximately $260,000. Subsidiaries had a funded debt outstanding of approximately $293,000 on the same date.

Goodyear Tire

What are the assets behind Goodyear Tire Co. stocks? Would also like to know something of the current position?

The new 5 per cent preferred stock of $50 par of Goodyear Tire & Rubber Co. of Canada is outstanding to the extent of $6 millions. The current assets at the end of 1934, after giving effect to the capital reconstruction would have been $8.1 millions whereas the current liabilities are only $402,048. Fixed assets are shown at $12.3 millions and the reserve for depreciation is already $6.6 millions. The company has paid its preferred dividends ever since 1910.

Just at present the tire business is somewhat halting in Canada so far as replacement sales are concerned. In the last two years there has been a large increase in the number of motor cars put out all equipped with new tires. Replacement business on that has not yet come to hand. Goodyear had a large share of the business in equipping these at the beginning.

Earnings on preferred in the last 10 years have run all the way from $18 to $45 a share. It has therefore considerable leeway and could earn much less in profits and still cover the preferred dividend.

American Cyanamid

I have some American Cyanamid stock. I have been advised to exchange this for some gold stock. What I would like to know is something about the value behind my present holding.

American Cyanamid Co. had outstanding at the end of 1934, nearly $4 millions of 5 per cent sinking fund gold debentures, 658,430 Class A voting common of $10 par value and $24,544,270 of Class B non-voting common stock of $10 par value. We think it probable that you own the Class B stock. Earnings on each share of classes A and B stock since $2.51 a share was earned in 1929, have been as follows during the depression: $1.49 in 1930; 22c. a share in 1931; 21c. a share in the 18 months ended December 31, 1931; 14c. a share in 1932; 99c. a share in 1933; and 99c. a share in 1934. The company has an exceedingly strong working capital position and its total assets have been increasing from year to year, even in the last three years of the depression. In a period of reviving industry the company should do better still as it acts as distributor for more than 1,200 chemical products used principally in mining, heavy industry and agriculture.

Western Savings

I have been considering buying a 6 per cent savings certificate in Western Savings and Loan. It will take me five years to pay for this. Do you think this would be a safe investment?

It is, of course, impossible for us to predict what will happen to such companies as Western Savings and Loan Association over the next five years, which will elapse before your contract is matured. Everything depends upon the ability of executives of the association to make a judicious selection of mortgage risks and to keep arrears on mortgages at a minimum. So far the association appears to have made progress and we have no reason to believe that under normal conditions, it cannot continue to do so.

To secure the full advantage of an investment of this kind, it is necessary for you to maintain periodic payments throughout the whole term of the contract. It would take several years before a withdrawal value would be equal to the amount of money that has been paid in, and if you found it necessary to discontinue payment during the first few years, your investment would not prove satisfactory. It should be noted, however, that the 6 per cent interest rate carried on your contract is very considerably higher than the prevailing rate on good government bonds and with much cheaper mortgage money prevailing in the last few years it may be difficult for any company to maintain high interest rates.

Teacher's Investments

Please give us complete information with regard to Old Canada Investment Co. also Teachers Investments' Ltd., Oshawa, stating who the officers are, what class of securities they invest in, and whether you consider it as a safe investment to make. How long have these companies been operating?

Old Canada Investment Co. was incorporated under the Dominion Companies' Act in 1931. A. E. O'Neil is the president, and A. H. McKenzie the secretary. The company is stated to invest only in high grade securities but as there is no list of the securities available, it is impossible to estimate how safe an investment the securities of Old Canada Investment Company would be.

Teachers Investments Ltd. was incorporated in Ontario in 1928. The same officers are in charge of this company as in the case of Old Canada Investment Company. In this case, also, there is no definite information available on the securities held by the company, with the exception that they are stated to be high grade securities.

Mining Enquiries

Reno Gold Mines

I would greatly appreciate a brief and general report on Reno Gold Mines in which I am interested.

Reno Gold Mine is operating a producing gold mine south of Nelson, B.C. Production began in August 1929 but was suspended in February 1932 due to a fire. Early in 1933, following collection of the insurance, the company acquired and rehabilitated a mill at property adjacent to its original holdings and production was resumed. June production at this property totalled $55,150 as compared with $63,700 in May. The reduction in value is due to cleaning up broken ore which carried lower values than the regular mine values, and monthly production at this property runs between $62,000 and $70,000. At the annual meeting of the company, held recently, it was stated that the company expects to continue dividend payments at the rate of 3 cents per quarter. On July 2, 1935, in addition to the regular 3 cent quarterly dividend, an extra dividend of 2 cents per share was paid. Indications thus far at Reno are to the effect that while this property will never be a large producer, it may, under the present able management, be a profitable small producer.

McKinley-Darragh-Savage

Where should I write in connection with my dividend on McKinley Darrow Mines, as I have 50 shares, and see by your paper that they are paying a dividend?

Although you state that The Financial Post carried information to the effect that McKinley Darrow Mines has paid a dividend, we believe there must be some misunderstanding. There is no company, to our knowledge, of this name. There was, however, a company by the name of McKinley-Darragh-Savage Mines of Cobalt, Ltd., which, in 1928, was succeeded by McKinley Mine Securities Co.

The charter of McKinley-Darragh-Savage Mines of Cobalt, Ltd., was surrendered on July 15, 1929, and the company is no longer in existence. At the time of the sale to McKinley Mine Securities, shareholders of McKinley-Darragh-Savage Mines of Cobalt received one share in the new company for every four shares held. McKinley Mine Securities Co., which operates as a holding and investment company, paid an initial dividend of two and a half cents a share on December 1, 1934, to shareholders of record November 15. On June 20, 1935, the company again paid a dividend of two and a half cents a share to shareholders of record June 6, 1935. If the stock which you hold is in McKinley-Darragh-Savage Mines of Cobalt, Ltd., they should, according to our information, have been exchangeable for stock in McKinley Mine Securities on the basis mentioned above. If you have not exchanged them, may we suggest that you write to McKinley Mine Securities Co., 12th Floor, 80 King St. W., Toronto, and get the matter cleared up.

Stadacona Rouyn

I have some stock in the Stadacona mine, and would like to get as detailed a report on it as you are able to give me.

We presume that by "Stadacona Mine" you refer in your letter of July 14, to Stadacona Rouyn Mine. This company recently announced plans for constructing a mill on its property in Northwestern Quebec. While the company is backed by some responsible men, its record has been marred somewhat by a series of capital reorganizations necessitated by lack of funds. Just recently shareholders voted to increase the capital from 3,500,000 shares to 5,500,000 shares. The funds thus obtained will be used for mill construction. Latest reports are that the company is starting to crosscut to the vein on the 425-foot level. New ore was developed on the 300-foot level of encouraging grade and width. The only estimate of ore reserve at this property which we have seen, placed the ore at between $7 millions and $10 millions on the basis of known length of ore on the 300-foot level of 1,200 feet with a width of 10 feet and an average value of $7 per ton. The mine manager reports that work done indicates that ore runs to the one thousand-foot horizon. The company claims to have sufficient funds to bring this property into production which, if everything goes according to schedule, should be some time this fall.

As at May 10, 1935, the company had current assets of $171,890 and current liabilities of $42,123.

Lebel Oro Mining Co.

Will you please advise me of the position of Lebel Oro Mining Co., minewise, financially, and their present prospects etc.?

Lebel Oro Mine is centring its activity on its Long Lake property, where a 200-ton mill has been constructed to treat tailings. These tailings were the result of operations carried on at the property by Long Lake Gold Mine, from which company Lebel Oro obtained its property. Between 1910 and 1916, Long Lake Gold Mine produced some $1.1 millions in gold from 150,000 tons of ore, before the vein was lost due to a faulted condition on a 225-ft. level. The tailings from these operations are reported at 140,000 tons, having an average assay of about .09 oz. of gold per ton. Exploration disclosed some marginal ore, but greater possibilities appear to lie in opening up new ore bodies similar to the one mined by the former company. In view of the fact that these tailings at present gold prices would run from $3 to $3.50 per ton, and in view of the fact that despite the diamond drilling which is still under way, no important new ore bodies have been located, this would appear to be a rather hazardous undertaking, and one whose chances of success are problematical. The company has issued no financial statement, as far as we are aware, since December 31, 1933, when current assets amounted to $679 with current liabilities nil. The company has an authorized capitalization of $3 millions, of which, at last report, $2,556,787 had been issued. Par value is $1.

Rackets

FAKE ADVERTISING

Selling fake advertising seems to be a favorite form of racket in these still rather trying times. Probably the reason for this particular development is that such advertising has no value whatsoever and is as free as the air breathed to the astute salesman.

Detectives have unearthed a particularly fraudulent scheme in which the religious convictions of the victims were exploited.

Two men made the rounds of a fairly large central Canadian city and offered advertising space to carefully selected merchants. This was to be placed under large clocks which were to be displayed prominently in front of various Roman Catholic churches throughout the city.

Space was offered at $5 for a small insertion. Printed receipts were handed to the buyers in every case and assurance was made that the clocks would be of a very prominent nature and lighted at night. After waiting many weeks in vain for the clocks to appear, the merchants got suspicious and compared notes. The police were called in and arrests followed.

GORDON & BELYEA PRESIDENT LEAVES $100,000 TO FIRM

Bulk Will be Available to Retire Preferred Stock

Part of the $100,000 life insurance carried on the life of the late L. Laird Gordon, president and managing director of the company will be used to retire outstanding preferred shares of Gordon & Belyea Ltd. These are callable at $105. The original bond issue was offered to the public in 1929 and amounted at that time to $275,000.

Of this approximately $45,000 has been retired through sinking fund operations. From the life insurance funds, it is understood that approximately $80,000 will be available for retirement of further preferred shares while the balance of about $20,000 will go to the company, thus strengthening the liquid position to that extent.

Mackay Companies Earn Slightly More This May

Mackay Companies report May gross earnings at $1,947,620 and a net loss for the month of $57,450. These figures compare with $1,867,804 and $117,835, respectively, for May last year. Gross for the first five months of the year amounted to $9,131,200, as against $8,972,315 in the corresponding period of 1934. There was a net loss for the five-month period of $776,019 compared with $885,335 in the previous year.

The above figures represent land line operations of Postal Telegraph & Cable Co. only and exclude results of cable and radio companies.

INTER CITY BAKING MAKES $1 PAYMENT ON COMMON STOCK

Lake of the Woods Milling Co. Will Benefit This Year

From Our Own Correspondent

MONTREAL.—Inter City Baking Co., controlled by Lake of the Woods Milling Co., has declared a dividend of $1 a share on its common stock. It is payable Aug. 1 to shareholders of record July 23. The last dividend paid by this company was $2 a share on March 25, 1932.

It is stated officially that the present payment should not be construed as placing the stock on a regular dividend basis. Directors, it is stated, decided to make the payment because the company's business has been well maintained and its cash position permitted the payment.

Helps Lake of the Woods

The payment will assist the earnings of the parent company, Lake of the Woods Milling Co. The milling company's year ends Aug. 31, so that the payment from Inter City Baking will come within the current fiscal period. It means about eight cents a share to Lake of the Woods.

Inter City Baking Co., through its subsidiaries, owns and operates four bakeries, one each in Toronto and Ottawa, and two in Montreal, having a combined capacity of 100,000 loaves of bread and 2,500 pounds of cake daily, distributed in the various cities to approximately 300 delivery routes.

Earnings Pick Up

Earning power of the company recorded a drop between 1932 and 1933 of about one-third. Since that time, however, there has been a steady increase in net earnings, with a result that the net profits available for dividends in the fiscal year ended January 31, 1935, totalled $56,251, which was equivalent to $2.66 a share on the outstanding common stock amounting to $2,114,500.

Suicides in 1934

Suicides in Canada in 1934 numbered 925, as compared with 922 in 1933 and 1,024 in 1932.

60 Days of Grace Given Canadian Stocks in U. S.

U.S. Securities and Exchange Commission has notified the New York Curb Exchange of a regulation exempting permanent registration of securities of Canadian companies for a period of 60 days from July 15. Consequently dealings will be continued during the period in Anglo-Norwegian Holdings, Ltd., common, European Electric Corp. class A, and Nipissing Mines Co. common.

Honey Producers

Canadian honey producers had a good year in 1934. Both prices and output rose. The result of this combination was a gain of 5.9 per cent in volume and 11.7 per cent in total value.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

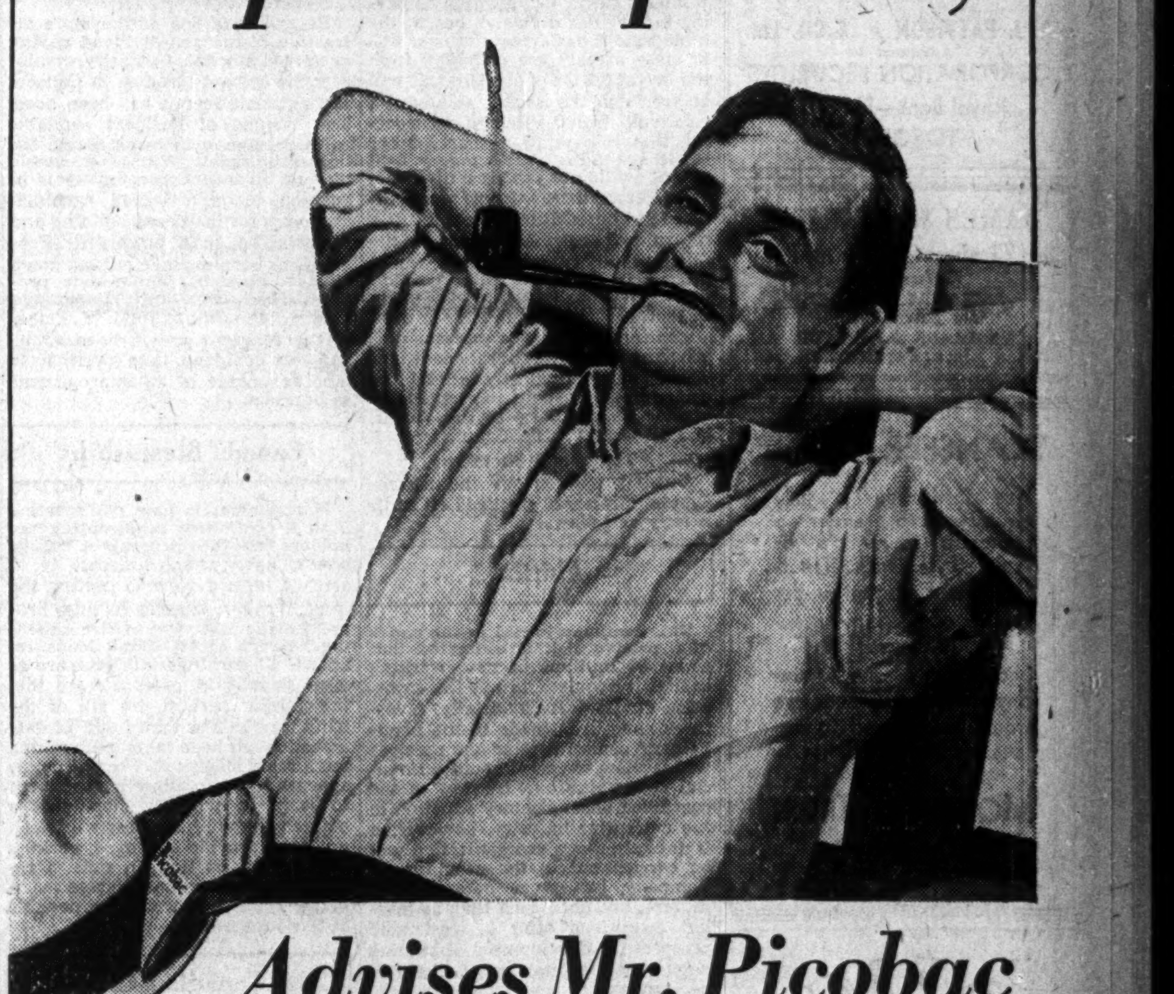
THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
Assets over $14,000,000
3% PAID ON DEPOSITS 3½% ON DEBENTURES
Archibald McPherson, President. T. H. Main, Manager.

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO - KIRKLAND LAKE

FOR 80 YEARS
"CANADA PERMANENT" has had and fully merited the confidence of many thousands of investors, no one of whom has at any time in that long period experienced the slightest delay in the receipt of funds to which he was entitled.
FOR 80 YEARS
"CANADA PERMANENT" has not only effectually safeguarded but has been of material assistance in increasing the savings of prudent and thrifty citizens.
FOR 80 YEARS
"CANADA PERMANENT" has been a growing asset to Canada, and the
SAFE DEPOSITORY FOR SAVINGS
CANADA PERMANENT MORTGAGE CORPORATION
Head Office: 320 Bay St., Toronto
Combined Assets Exceed $100,000,000

LIQUIGUM
Repairs Weather-Worn Roofs!
MURRAY Protective Coatings for all surfaces
One coating of Liquigum will add years of service to your old roofs. This thick, heavy liquid resaturates and recoats the old felt . . . and any handy man can apply it with excellent results. Estimates furnished on request.
Alexander MURRAY & Company LIMITED
MONTREAL, TORONTO, HALIFAX, SAINT JOHN, WINNIPEG, VANCOUVER
Affiliated wit Dominion Tar & Chemical Co. Limited
Canada Creosoting Co. Limited--Fibre Conduits, Canada, Limited

"Keep Your Pipe Cool,"



Advises Mr. Picobac

"Ninety in the shade doesn't bother me," said the philosopher of Sunny Southern Ontario's Burley tobacco belt. "Turn on the heat."

Having chosen a comfortable spot for his feet on the verandah railing, Mr. Picobac filled his pipe from a seal-tight Picobac pouch and leaned back in his chair for a mild . . . cool . . . sweet smoke.

"Heat ripens the Burley," said he. "That's why we have it hot down here on the Lake Erie front. We don't mind a little heat. We need it in our business."

"When I want to keep cool on a hot day, first thing I do is clean out my pipe. A clean pipe is a cool pipe. Then I fill her up with Picobac tobacco. Because Picobac is a *cool* tobacco. Picobac, you understand, is the pick of Canada's Burley, and good Burley burns cool. Try it. You'll enjoy the hot weather better if you smoke Picobac. It's a mild . . . cool . . . sweet smoke — in summer time or any time. And the new seal-tight pouch keeps Picobac quality and flavour moist and fresh."

NEW SEAL-TIGHT POUCH 15¢
½-POUND "LOK-TOP" TIN 60¢
ALSO PACKED IN HANDY POCKET TINS

"IT DOES TASTE GOOD IN A PIPE!"
Imperial Tobacco Company of Canada, Limited
Picobac
GROWN IN SUNNY SOUTHERN ONTARIO

GREAT LAKES

Vacation Cruises

5 DAYS $60.50 — 6 DAYS $65.00

TORONTO to FORT WILLIAM and RETURN

Board a great Canadian Pacific ship and leave your cares ashore. Happy short vacations are assured by these "inland ocean" circle cruises. Sail from Port McNicoll, through Georgian Bay, Lakes Huron and Superior to Port Arthur–Fort William, and return. Dancing . . . deck games . . . new scenes . . . cool breezes . . . superb meals and accommodations.

NEW CRUISE
9 days—Toronto—Great Lakes—Winnipeg and return (including 3-day stop-over at Kenora in the beautiful Lake of the Woods vacationland)—all-expense, $114.00 up.

Other cruises include Detroit and Sarnia. Rates include rail fare, parlor car chair, steamship berth, meals, hotel lodging.
Full information from your nearest Canadian Pacific Agent or
G. BRUCE BURPEE,
Canadian Pacific Building,
King and Yonge Street, Toronto.

CANADIAN PACIFIC

Export Horses and Mules

A shipment of Canadian horses sailed from Montreal recently for the West Indies. They will be used for constabulary work in Trinidad and Barbadoes. From the same port 1,000 Missouri mules were shipped to Italy.

John D. Gilmour
(B.Sc.A., B.Sc.F., Toronto)
CONSULTING
FOREST ENGINEER
QUEBEC, P.Q.
Member Executive, Pacific Logging Congress; Member of Canadian Society Forest Engineers, Quebec Association of Forest Engineers, Senior Member Society of American Foresters.
Organization and management of large pulpwood-logging operations. Available in logging or timberland problems. Bush road construction.

A. J. PATTISON Jr. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank—EL. 5101
TORONTO

JAMES W. SEWALL
Timber Cruises and Valuations
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER
Ruttan Block, Port Arthur, Ont.

TRANSFER AGENT
This institution is fully equipped to render a complete service as Trustee, Registrar, Transfer Agent, Agent under Escrow or Pooling Agreement, etc.
Should you desire to use any of these services, we would be pleased to discuss them with you.
MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

GLENEAGLES HOTEL
PERTHSHIRE, SCOTLAND

GOLF - SHOOTING
FISHING - MOTORING
HISTORIC SCENES
SCOTTISH SCENERY
Enjoy Them All Here
For summer travel tastes try a slice of Gleneagles Pie. Take the finest hotel you know . . . in London, New York, Berlin, Paris . . . transport it hook, line and sinker to Scotland . . . add to it three perfect golf courses, nine tennis courts, a swimming pool, squash courts and gymnasium . . . surround it by hundreds of miles of fine motor roads leading to purple hills and trout streams . . . and you have Gleneagles. The cream of the world's society acknowledges that Gleneagles offers you a vacation of supreme joy at absurdly moderate cost.
Descriptive literature Number 105 and full particulars from Frank S. Stocking, 1010 St. Catherine Street, West, Montreal, Canada.
GLENEAGLES
ONE OF THE WORLD'S WONDER HOTELS

$40 Millions in This Pot

Active Preferred Stocks in Arrears of Dividends Open Up Interesting Avenue for Canadian Investment — 24 Companies are Summarised

From Our Own Correspondent

MONTREAL.—With bond prices higher than they have been for many years and the better class of dividend paying common stocks yielding a return of only four to five per cent, investors and speculators have been paying more attention to a hitherto neglected investment medium—preferred stocks with dividend arrears.

In the accompanying table, 24 of the more active preferred stocks in dividend arrears have been analyzed. Some of these stocks are on a paying basis, though in arrears, while others have not paid anything to their holders for several years. In the aggregate these stocks are in arrears nearly $40 millions and with a return to normal conditions, it is reasonable to expect that the greater part of this sum will be honored either in the form of cash or additional stock.

Backed by Equities

Examination of the list will show that many of the stocks analyzed have been put out by some of the largest industrial companies in the Dominion. They do not represent unimportant enterprises, but, in the main, are the issues of companies which have been in business for many years and whose record except for the past few years of depressed business, has been one justifying confidence on the part of the investor. Certain of the preferred stocks listed, of course, are of definite speculative interest. In this class are issues of Abitibi, Price Bros. & Co., Winnipeg Electric, etc., all of which are scheduled for financial reorganization.

In the case of practically every company on the accompanying list, the preferred stocks are backed up by substantial equities. Failure to maintain dividend payments has been primarily due to the subnormal business of the past few years. In many cases considerable recovery has already been noted—nearly half of the companies listed reporting earnings on their preferred during the past year. In the case of others, prospects of improvement have undergone considerable betterment and though dividends are not expected in the near future, better earnings should result.

Offer Interesting Medium

These preferred stocks in arrears are appealing to investors at this time for several reasons. Sherwin-Williams stock, for example, is paying the regular dividend, but, at the same time it has arrears of over $12. If these arrears are deducted from the market price of the stock, it will be seen that the issue is selling at a relatively heavy discount considering that it pays $7 a share. Other stocks are in the same category. Still others, while not paying a dividend, offer better than average possibilities for appreciation in capital. A return to normal conditions in the cement industry, for instance, would find ready reflection in the earning power and market value of Canada Cement securities. A further or even a continuance of the present improvement in agricultural conditions would help practically all of the companies, more particularly Massey-Harris, Lake of the Woods, and Alberta Pacific Grain.

Thumbnail Sketches

Current opinion on the accompanying preferred stocks is set forth briefly as follows:

Preferred Stocks With Dividend Arrears

Company	Par	Rate	No. of Shares	Share Arrears Latest 1935 Date	Average Share Earnings 1928-1932	Last Reported Share Profits	Market Value of Stock
Abitibi Power & Paper (1)	100	6	348,818	$25.50	$ 3.96	Nil	4¼
Acme Glove Works (2)	50	6½	8,966	10.56	1.71 (9)	10.68	58
Alberta Pacific Grain	100	7	30,000	35.00	14.71	Nil	18
Brewing Corp. of Canada	n.p.v.	$3	162,369	0.75	...	Nil	19¼
B. C. Packers	100	7	39,405	33.25	1.17	Nil	13½
Canada Cement	100	6	200,869	19.50	6.67	0.27	52½
Canada Steamship Lines	100	6	150,000	30.00	2.10	Nil	6½
Canadian Car & Foundry	25	7	283,115	3.06	2.54	Nil	13¼
Canadian Vickers	100	7	20,000	38.50	3.34	Nil	6½
Dominion Tar & Chemical	100	6½	50,350	19.50	10.22 (5)	Nil	53
Eastern Dairies	100	7	25,000	17.50	7.67 (6)	0.46	12
General Steel Wares	100	7	45,000	29.75	3.96	2.36	40
Hamilton Bridge	100	6½	21,875	17.87	12.56	Nil	20
International Power (3)	100	7	80,000	24.25	6.14	5.01	45
Lake of Woods Milling	100	7	15,000	26.25	22.28	26.82	85
Massey-Harris Co.	100	5	120,899	22.50	4.42	Nil	21
Price Bros. & Co. (1)	100	6½	62,920	19.60	17.13	Nil	16
St. Lawrence Corp. "A"	50	$2	297,174	8.75	2.01 (7)	Nil	4
St. Lawrence Paper Mills	100	6	142,256	26.25	2.94	Nil	9
Sherwin-Williams Co. (2)	100	7	34,600	12.25	14.08	5.80	100
Smith Paper Mills, Howard	100	6	45,000	25.50	3.76 (8)	7.32	87
Viau Biscuit Corp.	100	7	9,400	19.25	12.01	2.40	12
Winnipeg Electric Co. (4)	100	7	50,000	26.25	11.00	2.98	6¼
Woods Mfg. Co.	100	7	15,200	31.50	4.56	6.81	58

(1) In bankruptcy; (2) now paying regular dividend; (3) paid $1 July 15, 1935; (4) now in process of capital reorganization; (5) four-year period 1929-1932; (6) fiscal years Mar. 31, 1929-1933; (7) 1929-1930; (8) Two years only 1929-1930; Consolidated returns 1930-1932; (9) 1929-1932. NOTE: While every effort has been made to make this survey complete, its accuracy cannot be guaranteed.

Abitibi

This company is still in the hands of a receiver. It is estimated that about $8 millions of new working capital is required to put the enterprise on its feet financially. Overtures have been made to the bondholders' committee and the receiver with a view to carrying out a financial reorganization. In view of the continued unsatisfactory situation in the newsprint industry, however, it is unlikely that a reorganization will be carried out in the near future. Company has great potential resources, but until such time as market conditions offer a reasonable prospect for development of earning power, new capital is not likely to be attracted.

Acme Glove

This is a relatively small company from the point of view of capital and earnings. Over a period of many years, however, the company has established an important place for itself in the glove industry. A fairly large proportion of its output is marketed with workers in the mines, fields, forests, etc. Last year company's income recorded a sharp increase, being the best reported in several years, as a consequence of which the first preferred stock was restored to a dividend basis. There is no indication as yet as to what steps the management will take to clean up arrears of dividends.

Alta.-Pacific Grain

Speculative activities of a former president almost wrecked the company financially. Consequently it was necessary to borrow a large sum of money from the banks to carry on. These loans have been secured by bonds. The outlook for the company is confused by possible adverse developments in connection with the new Grain Board. Until the latter has announced its policies, outlook for Alberta Pacific and other grain companies must necessarily be obscure. Company has not been able to develop anything like its former earning power since the break-down a few years back. Payment of a dividend appears to be some way off as steps will probably be taken by the management to clear off bank obligations with a return of better earnings.

Brewing Corp.

Earnings have increased, but not enough to make anybody feel the dividend is yet stable. The company is engaged in highly competitive business. Ontario legislation has not given the company the same freedom of operations as enjoyed by breweries in Quebec. Potential earning power is impressive and, dependent upon sales during the balance of the summer, company may pay something on its senior stock.

B. C. Packers

Uncertainty of the pack and difficult marketing conditions have kept down earnings of this company—one of the largest salmon packers in the Dominion. The run this year is reported to be below average, so that there is no reason for expecting any immediate change in earning power. This shortage of raw material, however, may stimulate world prices. Earnings and dividend record over many years has not been particularly impressive.

Canada Cement

Regarded as one of the more attractive of the non-dividend paying preferred stocks. Company dominates the cement business in Canada. Management record has been good. The volume of business available to the company in recent years has been subnormal. With a reasonable pick-up in business, company is in position to report good earnings. Prospects for increased building and construction look promising. Progress has been made in cutting down outstanding debt, while some preferred has been retired through means of the sinking fund. Finances of the company are in good shape and the company in a position to take advantage of an improvement in business.

Canada Steamships

Management is now co-operating with a committee representing the holders of the general mortgage bonds, upon which interest is in arrears, with a view to putting the company on a sounder footing. Progress made last year in strengthening balance sheet. Bank loans reduced. If earnings this year are as good as in 1934, prospects are that the greater part, if not all, of the bank loan will be wiped out. To date no action has been taken on working out a reorganization. Present policy appears to be to allow management to carry on with the hope that a better volume of business will clean up loans, provide improved working capital, etc., so that, in time, a reorganization can be effected on a better basis than would be possible at this juncture.

Canadian Car

When the railways prosper, this company prospers. The transportation industry having had its own troubles in the past four years, no orders have been placed for new rolling stock equipment, with the result that Canadian Car's earning power has been non-existent. Given a good volume of business, Canadian Car is a money-maker. Position of the company at present more hopeful than for several years, due to the action of the Dominion Government in advancing loans to the Canadian National and Canadian Pacific for new equipment. Contracts not yet placed, but expected almost immediately. The amount of business available for Canadian Car not likely to permit a resumption of dividends, but should benefit company in reducing or eliminating operating losses.

Canadian Vickers

Company has found difficulty in meeting bond interest payments during past two or three years, despite an annual subsidy from the Dominion Government of over $100,000 under the Dry Docks Subsidy Act. Many lines of work handled by the company—ship building and repairing, structural steel, industrial and mining machinery, airplanes, etc. Until there is an improvement in business, prospects for a resumption of a dividend on the preferred appear remote.

Dominion Tar

Dominion Tar & Chemical, Co. holds control of the creosoting business in the Dominion. Orders from railway, utility companies, governments, etc., have been relatively small in the past two or three years, though volume of business this year expected to be better than in 1934. Stock has recently been widely traded in owing to dissemination of bullish reports on new contracts. Management officially state that some improvement has taken place, but change has not been pronounced. Possibilities are that something will be earned on the preferred this year.

Eastern Dairies

Price wars and government regulations have had an adverse effect on this and other dairy companies earning power. Controls units operating in Hamilton, Toronto, Ottawa, Montreal, Winnipeg and elsewhere. Geographic diversification of operations has not been especially helpful of late years. In more normal times company has shown ability to cover preferred dividends.

General Steel Wares

Progress has been made by company in building up earning power and reducing funded debt. The volume of business handled by the company has steadily increased in the last three years. Returns for 1934 well ahead of those in 1933, permitting company to show earnings on the preferred. Surplus earnings have been used by the management to reduce the funded debt and much headway has been made in this regard. Current business is holding up well, but there does not appear to be any reasonable grounds for expecting an immediate dividend on the preferred.

Hamilton Bridge

Another company dependent upon new building and construction, the volume of which has been subnormal in the past four years. Some new business secured this year, making outlook more hopeful. In normal years Hamilton Bridge has been able to cover its preferred dividend requirements without any particular trouble.

International Power

International Power's biggest handicap in recent years has been fluctuations in foreign exchanges. Through subsidiaries the company carries on utility operations in Newfoundland, Bolivia, Venezeula, Mexico, Salvador, British Guiana, and Porto Rico. Transfer of funds from these units to the parent company has been costly, though in the past year the situation has shown more stability. Company recently undertook additional public financing to reduce bank loans. At the same time an interim dividend was paid on the preferred stock. There is no indication as to whether or not the stock will be restored to a regular dividend paying basis.

Lake of the Woods

Earning power of this company is returning to former levels which more than covered dividend requirements on the preferred stock. It has experienced some heavy losses in connection with baking subsidiaries, but milling operations have been more productive of income lately. The export flour marketing situation has not been favorable in recent years, and while the domestic demand has been well maintained, prices have been low. Bank loans are large, but have been decreasing steadily, now amounting to less than $3 millions. There has been talk at one time and another of the company placing the preferred on a paying basis in view of the large earnings in 1934. To date the management has not given any intimation of its policy in this regard.

Woods Mfg.

Steady improvement in earning has been recorded by Woods Manufacturing Co. in the last three years—increasing from $2.93 in 1932 to $6.18 in 1934 per share of preferred. Operations cover a wide range of products made from jute and cotton. Demand of late has been steadily gaining, due to activity in mining and other industries. Working capital has been built up to over $1 million net, an increase of $200,000 in four years, while funded debt has been reduced $140,000 in a like period.

Massey-Harris

Sales of company increased 30 per cent last year and still better improvement is understood to have taken place in the current year. At the annual meeting president told shareholders outlook was brighter than at any time since 1931. Operations of the company are international. Much of its business—farm implements—is done on a time-payment basis. Consequently balance sheet shows very heavy accounts receivable—more than $11.5 millions after reserves at the close of the last fiscal year. Management has followed the policy of setting up substantial reserves against receivables, which at one time totalled over $26 millions. Collections are reported to be improving and with a good crop this year, earnings should be better than a year ago when they totalled $184,000, after a series of losses running well over a $1 million annually.

Price Bros.

Price Bros. & Co. has been in bankruptcy since 1932. The large resources of the company, including several thousand square miles of valuable timber limits, two newsprint plants, water powers, sawmills, etc., have attracted outside interests with a view to a capital reorganization. Various plans have been put forward, but none have been accepted by all interested parties. At present another offer is on the table—one from Bowaters Paper Mills, of London, Eng. The bondholders' committee have not indicated their approval or disapproval of this latest offer, but it is reported the plan will be turned down as it does not provide for arrears of interest in cash. Prior to collapse, company was regarded as one of the soundest industrial enterprises in the Dominion. Unauthorized loans, drop in the price of newsprint, smaller demand for paper and lumber, etc., contributed to its downfall.

St. Lawrence Corp.

This is a holding company for St. Lawrence Paper Mills, Brompton and Lake St. John. Control of the latter has been taken over by the bondholders. Income and ability to pay dividends depend upon returns from Brompton and St. Lawrence Paper Mills. While the former is understood to be getting along satisfactorily, the latter has not been doing much more than paying its way. Until the price of newsprint improves, the future does not look too bright for the shareholders.

St. Lawrence Paper

Difficulties besetting this company are common to all other newsprint producers, namely, inadequate price for newsprint paper. In addition the volume of business handled by the company, until the past few months, was under the average for the industry, so that earning power was restricted. While more tonnage is being handled by the company, the price of newsprint does not permit company to do much better than cover operating expenses. Prospects for a higher newsprint price are indeterminate at this time, as the question of price does not come up for consideration until the fall months.

Sherwin-Williams

This is one of the largest paint manufacturers in the Dominion with a well-established record of earnings. Conditions in the paint trade in the last three or four years have not been particularly good, with the result that the company's earnings have been below normal. An improvement has been reported of late, however, as evidenced by the resumption of payments on the preferred stock, which is the ranking security. Arrears of dividend amount to slightly better than 12 per cent and with a continued pick-up in business, these arrears could be quickly liquidated in view of the company's strong working capital position.

Viau Biscuits

Until highly competitive conditions arose, Viau Biscuit had built up a large earning power—well in excess of the dividend requirements on the first preferred stock. In 1932 and 1933 there was nothing available for the capital stock, but last year earnings totalled $2.40 a share on the first preferred. Taxation rests heavily on the company, but in view of the progress made last year, further improvement is expected during 1935.

Howard Smith

Howard Smith Paper Mills is the largest fine paper manufacturer in the country, Howard Smith Paper Mills has naturally felt the effects of the business depression. Sales fell off, earnings declined and in order to conserve working capital it was necessary to defer dividend on the preferred stock. Last year there was an improvement, however, and $7.32 a share was earned on the preferred. There has been much talk about the possibility of the company putting the preferred back on a paying basis, but so far no action has been taken by the management. In the event earnings are maintained, some action is likely to be taken by the directors.

Winnipeg Electric

Winnipeg Electric Co.'s financial affairs became so involved that a reorganization has become necessary. Plans have been drawn up involving the company and its subsidiary and in the next month or two meetings will be called to approve or disapprove the different proposals put forward. Winnipeg Electric's preferred stock under the plan, if approved, will be exchanged for new preferred stock, share for share, plus one-half of one Class B common share. Under this scheme the funded debt charges on the enterprise will be brought down in line with earnings.

1832 1935

Foresight . . .

THE DISTANT future may be a subject of prophecy, but intelligent foresight remains an important element of business practice. Frequently it is the application of past experience to the problems of tomorrow. For this The Bank of Nova Scotia with over a century of successful banking experience possesses unusual equipment.

World-wide facilities in every department of banking

Coast to Coast in Canada

NEWFOUNDLAND,
JAMAICA,
CUBA,
PUERTO RICO,
DOMINICAN REPUBLIC

NEW YORK,
CHICAGO,
BOSTON,
LONDON, ENGLAND

The BANK of NOVA SCOTIA

OVER A CENTURY OF BANKING SERVICE

35-24

Dosco Raises Wages Sydney Steel Workers

From Our Own Correspondent

MONTREAL.—Effective August 1, a general wage increase of 10 per cent for the 3,000 workers of Dominion Steel and Coal Corp.'s steel plant at Sydney, is announced by the corporation's president, Sir Newton Moore.

At the same time, the eight hour day will be placed in effect in the plant's open hearth, rail mill and yard departments.

The wage increase, Sir Newton declared, will boost the plant's yearly payroll by $500,000. It is now $3 million, with operations at 72 per cent of capacity—the peak for a number of years.

Attack Fails Bond By-law Of Vancouver

From Our Own Correspondent

VANCOUVER.—Attempts to have the city of Vancouver's amended by-law dealing with the issue of $1,500,000 bonds invalidated has met with failure. Mr. Justice Robertson in supreme court finds that the interests seeking the injunction had failed to give adequate reason why they would be "irreparably damaged" as contended in their brief.

The new attack on the by-law, which proved unsuccessful, was based on a series of points, including the argument that the city had already reached the limit of its borrowing power; that the by-law dealt with more than one specific object; that the by-law possessed several technical defects.

Barrett ROOFS

Convincing Testimony of Sound Roof Values at Toronto, Ont.

The economy of Barrett Roofs appeals to business men as a sound investment. They appreciate the advantages which Barrett Specification Roofs offer. These famous roofs qualify for Fore Underwriter's Class "A" rating. They are bonded against repair and maintenance expense for periods up to 20 years, but the bonded period only begins to measure the extent of their useful lives.

Whether you have a new building to roof or an old one to re-roof, Barrett Specification Roofs represent the soundest value. They cost but little more than ordinary roofs, and performance records indicate that they last many years longer.

Consult with Barrett on your roofing and waterproofing problems

Among the Barrett-Roofed Buildings in Toronto are the following:—
Aluminum Co. of Canada Limited
Athelma Apartments
Abitibi Power and Paper Company
Brunswick-Balke Callender Co. Canada Limited
Brighton Apartments Limited
British-American Oil Company Limited
Board of Education
Bank of Montreal
Bank of Nova Scotia
Bank of Toronto
Canada Bread Company Limited
Canada Permanent Mortgage Corporation
Canadian Bank of Commerce
Canadian Hanson and Van Winkle Co. Limited
Canadian Kodak Company, Mount Dennis
Canadian National Carbon Company Limited
Canadian Pacific Railway Company
Canadian General Electric Company Limited
Canadian Rail and Harbour Terminals Limited
Canadian SKF Company Limited
City Dairy Company Limited
City of Toronto
Corporation of New Toronto
Canadian Chewing Gum Co. Limited
China Mission Seminary Corp.
T. Eaton Company Limited
Dunlop Tire & Rubber Goods Company Limited
Gooderham & Worts Limited
R. Laidlaw Lumber Co. Limited
Toronto Hydro Electric System
Taylor Instrument Co. of Canada Limited
Toronto Public Library

THE BARRETT COMPANY
LIMITED
MONTREAL TORONTO WINNIPEG VANCOUVER

Textile Industry Reviewed

THE FINANCIAL POST

SECOND SECTION

Vol. XXIX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JULY 27, 1935 | 10c a Copy; $5.00 a Year | No. 30

Textile Operations Still Bright Spot In Canadian Employment

Textile Cos. Support 100,000 Canadians During Depression

Probably 300,000 Have Vital Interest in Prosperity of Industry — Wide Needs — Claim Good Wages When Compared With Foreign Competitors

The Textile companies of Canada support 100,000 Canadians. Probably 300,000 Canadians spend their lives at some point in the process of turning wool, cotton, silk or cellulose fibre into yarn, cloth, garments, curtains, carpets, tents, awnings or in the distribution of such.

On the farm and in the mine and in the forest are many other Canadians producing wool, coal, pulpwood and other materials to be used by the companies directly. Needs of the textile industry and employees together cause a considerable addition to revenue of transportation companies, to merchants and to producers.

The industry is woven into the very fabric of the life of the inhabitants of the Eastern half of Canada and to a growing extent in Western Canada. Basically it is a woman's industry and goes back to the days "when Adam delved and Eve span," and more than any other Canadian industry it has aided in the depression problem of giving employment to women. Of its employees 60 per cent are women and half those employed in all manufacturing operations are employed by textile firms. More than half of the total are employed by primary textile companies.

PRIMARY TEXTILE INDUSTRIES
(needle trades not included)

	Municipalities	Factories	Employes	Annual Wages
Ont.	80	258	25,916	$20,283,000
Que.	51	141	24,012	17,646,000
Mari.	24	24	2,327	1,612,000
West	7	24	418	311,000
Total	162	447	52,673	$39,852,000

Factories included are those working primarily in cotton, wool, knitting, silk, rayon and combinations of these.

Did Well in Depression

The Price Spreads Commission investigation into the Textile industries as well as into other industries resulted in the finding that, except for the needle trades, the Canadian industry largely escaped the demoralization that occurred in textile markets in other countries because of upward revision of tariff duties in 1930. The addition of specific to ad valorem rates of tariff duty on many items had the effect of virtually excluding the cheaper lines previously imported and with which Canadian manufacturers could not compete. Canadian companies suffered decreased volume on old lines because of decreased public purchasing power, but they went into volume production on cheaper lines upon which the public demand tended to concentrate.

Dumping duties nullified competition from Asiatic countries where cost of production had been brought to unprecedented low levels. Thus the primary textile industries were able to maintain employment at a remarkably high level. The industry gained as much in volume of sales in the cheaper lines which it started to manufacture in 1930 as it lost through decrease in public demands for the lines which formerly represented its entire output.

In the last five years, new automatic machinery and more efficient looms were installed by the primary industries. These had a perceptible influence upon the productivity of the individual employee. This was accomplished without a large additional capital investment.

No Financial Fireworks

In view of the severe criticisms made by the Price Spreads Commission of the financing operations of most companies for the period from 1921 to 1933, in fairness it must be stated that the Commission said that the textile industry was free in large measure from "unwarranted writing up of assets for purposes of refinancing."

The same tendency toward development of managing control was, however, found. Four out of the five largest concerns were found to be controlled by groups owning less than 20 per cent of the capital and less than 50 per cent of the capital in the second case was owned by the management group. The public company is rare among the smaller companies in the industry and a high proportion of these companies are entirely owned by the active management.

Primary Cotton

Among primary cotton manufacturers the Dominion Textile Co. is the largest textile concern. Together with its controlled subsidiary, Montreal Cottons, it accounted in 1933 for 48.3 per cent of the total sales of the cotton group and 12.1 per cent of the total of all textile companies investigated by the Price Spreads Commission. Canadian Cottons and Wabasso Cotton Co. together accounted for 31.3 per cent of the cotton total. Each had sales in excess of $4 millions in 1933. These were followed by five other companies, only one of which reports sales of less than $1 million in 1933.

This industry is concentrated in Quebec where 70 per cent of the production is found. Ontario mills account for 20 per cent and the balance comes from the Maritime Provinces where the mills are owned and operated by the Ontario companies. Thirty-six mills employ 16,818 people and the annual payroll in 1934 was $11.6 millions.

Most of the manufacturing takes place in small towns and of the 36 mills operated by the cotton companies only five are to be found in cities of over 250,000 population. No less than 15 mills are located in towns with populations of under 15,000 and they consequently play an important part in the life of these communities.

Sells to Manufacturers

Sixty-seven per cent of the output is sold for further manufacture. Of the balance which is sold as consumers' goods a high proportion is sold through wholesale houses. Some of the manufacturers have developed their own jobbing outlets. The Dominion Textile Co., however, continues to employ the wholesale merchant for small quantity distribution. Though sales are made direct to department stores, the independent retailer cannot deal with the manufacturer.

The larger companies do not compete with each other on certain goods, states the Commission. The Dominion Textile Co. does not manufacture cotton denim, while other companies are the sole producers of other important lines. Therefore, if a wholesaler wishes to carry a complete line of cottons, he has to buy from all the larger companies.

The net profit of the whole group for the four years preceding 1934 amounted to $5.9 millions, of which over $5.2 millions was earned by the Dominion Textile Co. It represented an average annual rate of earnings of 2.5 per cent on the net invested capital. The rate had declined from 4.7 per cent in 1930 to 1.9 per cent in 1933. In 1934, however, the profits rose sharply and in that year represented 7.3 per cent of the net invested capital. In the first half of 1934 sales are lower because of unseasonable weather lag in buying power, uncertainty over U. S. cotton crop and imports from Lancashire mills.

Mill operations are now around 60 per cent in comparison with 80 per cent of capacity a year ago. The companies await the United States government's estimate of the cotton outturn for 1935 about August 8. They are now buying from hand to mouth as it is dangerous business making long-term commitments until the size of the crop is forecast officially and until it is known what amount the Government will advance to cotton growers.

"The cotton group has a fairly good record in the matter of employment," said the Price Spreads report. "While not paying high wages, it appears to adopt a fair attitude in its employment policy and there are no cases of unscrupulous tactics comparable to those in some other sections of the textile industry."

It might be added that some of the largest companies such as Dominion Textile Co. have pension, group life insurance and other plans intended to safeguard the position of employees and their families in sickness, death and old age.

Woollens and Knit Goods

It is hard to separate the woollen and knitting sections of the primary textile industries, though separate particulars are given in the Price Spreads Commission report. There are 297 mills in 132 municipalities and 100 Federal ridings in the two sections. They have a common trade association and they employ 26,241 people and paid $20.6 millions in payroll last year. There are a large number of medium-sized and small units widely distributed: 42 per cent in centres under 5,000 population, 11 per cent over 5,000 and under 10,000; 19 per cent over 10,000 and under 25,000; and 28 per cent in larger centres.

Are Canadian-owned

Of the capital 85 per cent is Canadian. Just how the money made in this industry is distributed among Canadians may be deduced from the statement that it takes 2.158 pounds of greasy wool to produce 1 pound of finished cloth. It would take 6.58 pounds of greasy wool to make the 3.05 pounds of finished cloth necessary to make a tweed suit. The retail price of that suit would be made up as follows: cost of wool, 99c.; woollen manufacturer adds $1.77; clothing manufacturer adds $6.74; and retailer adds $7, making total price $16.50. It is claimed that in that set-up the woollen manufacturer gets a profit of 27 cents, the clothing manufacturer of 55 cents and the retailer of $1.66.

Prices of woollen goods produced in Canada have declined since 1930 even more than raw material prices. There was a recovery in 1933 and the early part of 1934, but they have been falling again. In February, 1935, wool tops were down 6 cents a pound below the 1930 average, and cloth made from the tops was down 26 cents a pound.

Woollen Mills Are Small

The average woollen manufacturer is a relatively small unit, says the report of the Price Spreads Commission. It looked into the affairs of 40 companies in its investigation. Dominion Woollens and Worsteds, the largest company, accounted for only 12.5 per cent of the 1933 sales. Its operations were consistently unprofitable.

In spite of a considerable drop in prices the sales of woollen mills increased by 15 per cent from 1930 to 1933. Employment showed a 30 per cent increase in the same period. This was accounted for partly by new mills and partly by increased activity of the established mills. The production of Canadian mills rose from 5 million yards in 1930 to 13 million yards in 1933. Imports from Great Britain and foreign countries declined in the same period from 18.4 millions to 7.8 million yards. The increased demand for the cheaper lines of which the per employer output is considerably higher, explains the discrepancy between employment and production.

The 31 Ontario mills represent about 80 per cent of the total for the industry. There are 44 mills in Canada.

A very large proportion of the output of woollen mills is sold for further manufacture, principally to knitters and makers of clothing. About 27 per cent of the 1933 production was sold as consumer goods distributed mainly through wholesale jobbers and department stores.

In 1933 the investment of this group was $24 millions, of which more than half represented companies privately owned by Canadian interests.

The group as a whole has had increasingly profitable operations from 1930 on. Profits were equal to 1.2 per cent of the net equity in 1932 and 6.6 per cent in 1933.

The wage scales in the woollen group are considerably higher than those in the cotton companies.

Knit Goods Do Better

There are 72 companies listed as knit goods manufacturers. Eleven of these in 1933 had an invested capital of more than $1 millions and represented 70 per cent of the total investment in the group. The other 61 companies have an average investment of only $154,000 and included any small operators.

Penman's is the largest single company and in 1933 accounted for 17.5 per cent of all sales. Ontario in 1934 provided 70 per cent of the employment given in this industry, Quebec 23 per cent, the Maritimes 6 per cent and the western provinces 2 per cent.

Operations of all knitting mills showed net losses in 1930, 1931 and 1932, but profits in 1933 were 2.4 per cent of invested capital and 1934 operations showed substantial gains in sales and employment.

Five carpet and rug manufacturers suffered a 59 per cent loss in business from 1930 to 1933 and employment fell sharply. Wage rates were highest in this group and business recovered in 1934 and 1935 to date to a marked extent.

Six companies in the thread and cordage group had an investment exceeding $1 million. The only publicly financed company had smaller sales in 1933 than two private companies which had together less than its investment in the business. They had good returns.

Silk and Cellulose

According to W. P. MacDougall, of Montreal, president of the Silk Association of Canada, the rate of progress set in 1934 was not carried through into 1935. There was an improvement in general trade conditions in the first five months, but not at the same rate as in the first five months of 1934.

The silk group in all its branches—throwing, thread making, broad and narrow fabrics, dyeing, knitting, and producing synthetic yarns—provides direct employment for an average of 13,087 people with an annual payroll of over $10 millions.

The 59 mills of the industry are located in 35 villages and towns in Canada, 29 in Quebec and 29 in Ontario. The growth of the industry has been rapid in the last decade. In 1926 the silk industry in Canada employed 2,231 people with an annual payroll of $1.6 millions. The number of workers in the interval has multiplied six times and the payroll is also six times larger.

In the same period, imports of raw silk have increased from 529,446 lbs. to 2,692,693 lbs. Ten years ago the output of artificial silk yarn amounted to about 1,650,000 lbs. and in 1934 to 10 million lbs.

Danger of Over-expansion

The industry has rapidly expanded. The chief danger now, Mr. MacDougall thinks, is that it may expand too much. In the last decade the expansions have been due to goods made by Canadians replacing goods formerly made in foreign countries. Mr. MacDougall states that no further expansion in this way is possible. Any further additions to machinery would make the industry open to the major evils which result from over-production.

Silk Firms Increase

Investigation of the Price Spreads Committee into 16 companies manufacturing natural silk yarns and fabrics revealed a marked growth in operations throughout the depression. Between 1930 and 1933 six new mills went into production and the output of the group in 1934 is 40 per cent more than the 1930 level. Net earnings advanced from 1 per cent on invested capital in 1930 to 5.7 per cent in 1933.

Ten of the companies are Quebec companies in towns with populations under 15,000. The two largest companies have 20 per cent of the total sales and the first five in point of volume account for over 76 per cent of the total.

Because of tariff aids nearly 6 million yards of unfinished silk fabric entered Canada from abroad in 1930 and this dropped to half a million yards in 1932.

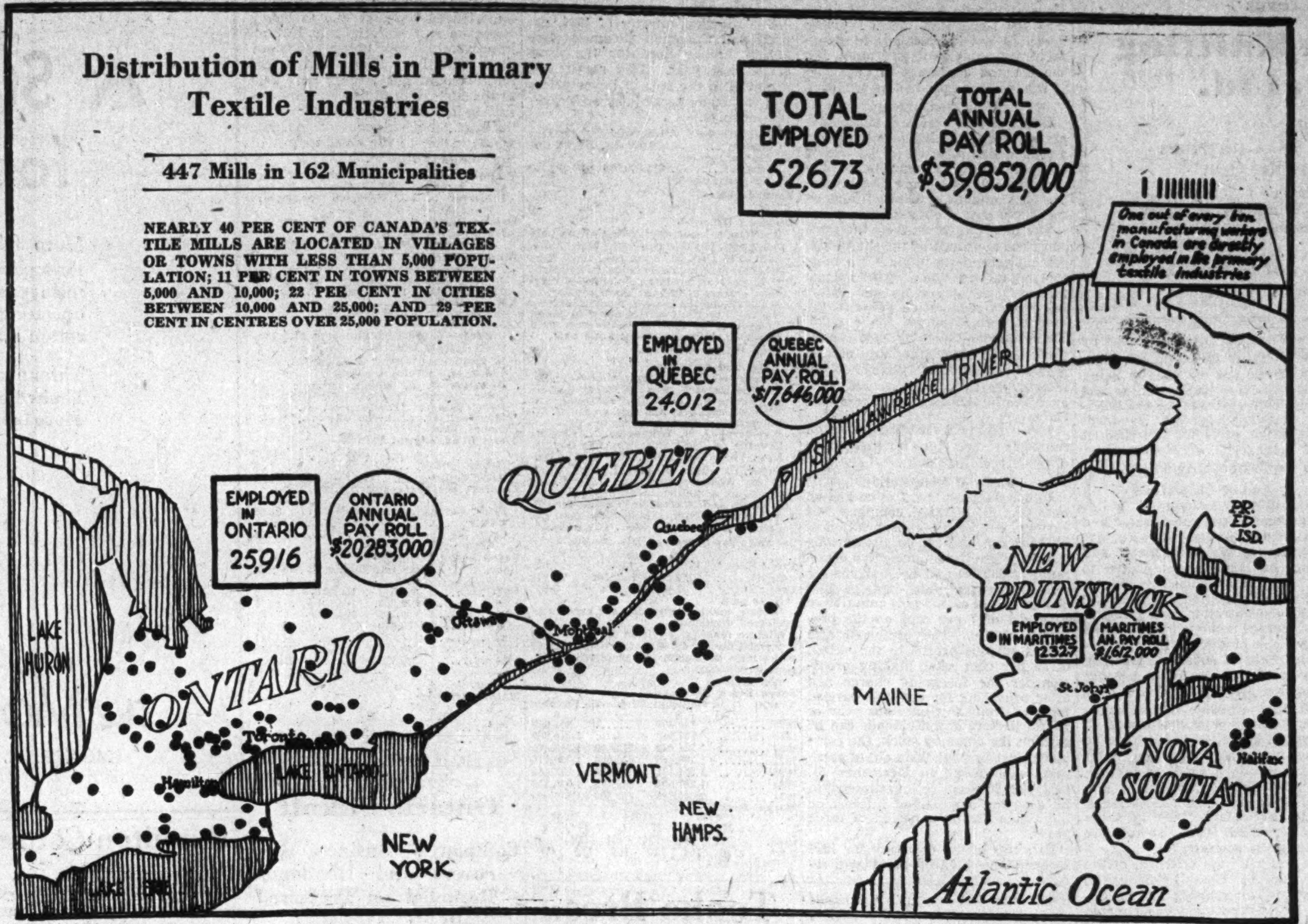
Almost the entire increase in the invested capital of the group during the period rose from the establishment of three mills owned by United States interests, one of which, Associated Textiles of Canada, has assumed a leading position in the industry.

The Canadian public companies, three in number, account for 61 per cent of the total invested capital. Six United States controlled companies represent 21 per cent and one concern controlled in Great Britain accounts for 10 per cent. Privately owned Canadian companies, combined invested capital is less than 9 per cent.

Two Synthetic Silk Companies

There are only two synthetic silk manufacturers, Courtauld's and Can-

(Continued on page 12)



Single Association Serves All Industry

Primary Textiles Institute Represents Various Canadian Branches

Primary textile industries of Canada have common associations which have become quite active under the stresses of war and later competition. Coincident with the meeting of the Price Spreads committee these succeeded early in 1935 in effecting further organization which enables every branch of the primary textile industry to have an effective voice in any public measure which is of common interest to all. Wages and prices are not dealt with but only matters of common concern such as collection of valuable statistics, representation at Ottawa or elsewhere where their interests are at stake and the discussion of possibilities for progress.

The organization in Canada is compact and effective. It was crowned early in 1935 by the forming of the Primary Textiles Institute. The executive secretary is Major Douglas Hallam, who has also under his watchful eye the Canadian Woollen and Knit Goods Manufacturers Association, The Cotton Institute of Canada and Silk Association of Canada.

Has Six Members

The Primary Textiles Institute consists of six members They are each president and vice-president of the three associations and the executive secretary, who is also secretary of the three associations. This is an extremely flexible organization. Each association carries on its own work and elects its officers. Each section elects its own chairman. It is only in matters of common interest to all that the Primary Textiles Institute is called into service.

Prior to 1914 there were a number of groups in the woollen and knitting trade. During the war they came together as the Canadian Woollen Manufacturers Association. Additional groups were added from time to time and the association became the Canadian Woollen and Knit Goods Manufacturers Association.

In 1928 the Silk Association of Canada was formed and by 1930 had grown to a considerable size with a number of sections when it was decided to operate in a common office with the Canadian Woollen and Knit Goods Manufacturers Association.

In 1932 the Cotton Institute was started and at the end of 1934 the industry came to the conclusion that the three associations could be operated with advantage in a common office This resulted in the formation of the Primary Textiles Institute.

Want More Wool Grown In Canada

Though Canada's need of wool is greater than all Empire countries except Great Britain, its 3.4 million sheep compare with 24.9 million in Great Britain, 25 million in New Zealand, 40 million in South Africa and 100 million in Australia.

The knitting trade in Canada is a market for all the "pulled wool"—that is, wool from the sheep slaughtered as lamb or mutton—produced in Canada, and it imported as well in the four years ending in 1934 more than 9 million pounds. Fleece wools, which are wools clipped from the live sheep, are used for making cloth, blanket, woven felts and certain types of yarns for knitters. Demand from these has expanded since 1931.

Cotton, Wool Hearings On Imports from U.K.

Canada Wants Protection Maintained —British Ask Greater Share

British and Canadian textile associations are reaching an understanding of each other's views and desires so far as the Canadian market is concerned. They are by no means in complete agreement as to the amount of protection which is considered fair to Canadian industries under the Ottawa agreement of 1932, but they have reached the point where they are able to talk together and to see something of each other's point of view.

Canadian manufacturers desire to get all of the Canadian market which they can conveniently and economically handle. British manufacturers are glad of the protection given them for the surplus which Canadians cannot handle as well as themselves but think they should be given additional advantages in the market. The tariff board at Ottawa is the adjudicator and already last spring rendered final judgment on the appeal of the Bradford woollen manufacturers.

Cotton Hearing Important

This coming autumn the Tariff Board begins a hearing of utmost import to manufacturers of cotton goods in both countries. The Lancashire cotton industry has promoted Reference No. 83 to the board, calling for a review of the current preferential tariff on cotton goods in the light of Article 11 of the 1932 trade agreement between the United Kingdom and Canada. Canadians also want the relative costs of economical and efficient production in Lancashire and Canada examined in order to determine whether or not present duties are sufficient to give cotton manufacturers in Canada an opportunity of reasonable competition.

Artificial Silk Makes Plea

The cotton manufacturers in Canada are not the only Canadian group interested in the cotton hearing. The section of the primary textile industry using artificial silk fabrics and fabrics produced from a mixture of cotton and artificial silk will present their position as well. The Canadians claim that the British tariff rates on Canadian cloth are higher than the Canadian rates on British cloth on the average. While Canada charges a straight rate of 24¾ per cent on all silk fabrics made in Great Britain, the comparable tariff rate on similar Canadian fabrics exported to Great Britain amounts to 69½c. per lb. plus 16.67 per cent ad valorem.

British Wages Are Lower

In March, 1935, the Canadian Tariff Board brought down a final report on the appeal of the Wool Textile delegation of Great Britain asking for greater reductions in the Canadian woollen tariff on British goods than were made in October, 1932, by the Dominion Parliament. The Britishers had claimed they should have greater consideration.

The success or failure of the appeal depended on the Britishers being able to prove that wages in Great Britain were not much different from those in Canada. Their methods of calculation were not accepted by the Tariff Board which said:

"It has been established that hourly wages in Canada exceed those paid for corresponding occupations in the United Kingdom by 55 to 60 per cent in the woollen industry, 76 to 78 per cent in the worsted spinning industry and 65 to 75 per cent in the worsted weaving industry."

British Increase Trade

The period elapsing from the time the appeal was lodged until the final judgment also demonstrated that British trade was increasing. Canada's total imports of woven cloth increased from 4.9 to 7.9 million pounds from 1932 to 1934, or 60.2 per cent. Canada in 1934 bought more manufactures of wool from Great Britain than were bought by any other country in the world, according to the 45th annual review of the Textile, Mercury and Argus, Bradford, England.

Imports by Canada of cotton yarn declined in this period from 4.92 million pounds in 1930 to 4.67 million pounds in 1934. But it only took 1.72 million pounds from Great Britain in 1930 and it took 4.31 million pounds in 1934. Great Britain took away that business from the United States by reason of the Ottawa pacts. Imports from the United States in the same period declined from 3.13 million to 340,000 pounds. That is Great Britain's share of the import market on cotton yarn went up from 35 to 92.3 per cent in the four years.

In the same period Canada's imports of cotton cloth dropped from 94.4 to 82 million square yards but Britain's share of the import market went up from 33.84 to 62.38 per cent.

The following two tables give the latest available information on this most vital matter of business secured by the United Kingdom in Canada and the prevailing scales of wages in the two countries:

British Exports to Canada
(In millions)

	1930	1934
Wool, lbs.	4.45	6.36
Wool tops, lbs.	5.99	7.73
Wool yarns, lbs.	3.73	2.71
Wool cloth, sq. yds.	18.71	14.74‡
Cotton yarns, lbs.	1.50	4.09
Cotton cloths, sq. yds.	32.42	63.82‡‡
Linen cloth, sq. yds.	4.27	5.34

‡Low point was 9.59 million yards in 1932 and total has been increasing since.

‡‡In the first five months of 1935 imports from Great Britain of cotton cloths were 28 million square yards or about the same as similar period of 1934 which is good in view of falling off of Canadian consumption. British operators have a further aid in that they are not charged an excise duty on raw cotton whereas Canadian operators pay excise duty on their imports of raw cotton from the United States. This is equivalent to $2 a bale and costs five leading primary cotton textile manufacturers several hundred thousand dollars annually.

British vs. Canada Wages
(Cents per hour)

	Canada	G. Britain
Cotton industry	26.64	16.58
Woollen, do	29.37	18.29
Carpets	36.28	18.98

Note: These are average hourly rates and include adults and children of both sexes. In addition, the British working week is four hours shorter so that weekly rates would be more favorable to Canada.

TURNS SCREWS TO FORCE SALE JAPAN'S GOODS

Textile Manufacturers Show Sharp Differences in Wage Scales

MAY RETALIATE

Can Follow Lead of Britain by Shutting Out Raw Silk in Favor of Artificial Lines

Japan has at length made good its threat to punish Canada for her depreciated currency legislation by imposing a 50 per cent supertax on certain imports from Canada. It had been getting lumber, pulpwood, paper, timber, wheat, zinc, lead and nickel from Canada. It will still get its zinc and lead and nickel from Canada directly or indirectly but is trying to get other products elsewhere. British Columbia fears that this will mean a decline of 10 per cent in its total exports as one seventh of her exports go to Japan.

British Makers Also Oppose

Japan has already succeeded in getting Australia to give her concessions because Japan has been buying so much wool from that country. It is able to get wheat, pulp and some other raw materials elsewhere than from Canada but probably not so conveniently.

British manufacturers are interested along with Canadians in Japan's plea being refused. They have obtained under the Ottawa agreements a substantial share of the market in the Dominion and want more. They are asking for more but on this point of Japan's entry a common danger draws British and Canadian textile manufacturers together. Japan's success in turning the screws on Australia has made them all the more apprehensive about Canada and they claim that the fate of the Ottawa pacts more or less hangs on this matter.

Between Two Millstones

If the depreciated currency legislation goes, say the Canadian and British manufacturers, Japanese textile goods—cottons, rayons, knitted goods and worsted goods—will replace textile goods now made by Canadian and British workers. They add that many tens of thousands of Canadian workers would probably be added to relief lists. This legislation was in effect when the Ottawa pacts were made and its abolition would amount to a reduction in the British preference, it is urged. The Canadians know that the British would then want a further reduction in the Canadian tariff so that its manufacturers could hold their present share of business. They would be then ground between two millstones. They state also that the British Empire countries are the only countries which have not established blocked exchanges, import licenses or prohibition on Japanese goods.

Wages Low in Japan

The great reason given for their opposition is that depreciated exchange accentuates the difference in wages paid. For example, wages in the woollen trade in Japan are about 74.77 cents per ten hour day or 7.47 cents per hour. If the yen were at par, this would be comparable to 30 cents per hour for a Canadian weaver. With the depreciated yen at 29 cents, however, this would become 4.35 cents an hour in Canadian money as against 30 cents for Canadian weavers. It is stated that this same situation goes through the whole list of Japanese products and applies to all direct wages contained in manufactured goods and also to overhead. They claim further that no tariff rates can take care of this situation because Canada and Japan have a favored nation treaty and Japan is entitled to the French treaty rates. This fall in yen exchange amounts to a bonus on exports from Japan to Canada.

Just what is involved in the Japanese plea for doing away with the dumping clauses applying to countries with depreciated currency and why Canadian and British manufacturers are strenuously against the granting of the Japanese plea may be seen from the following table, which shows the cost in Canada of a piece of goods valued at one yen when the yen is at par in Canadian money and when it is valued at 29 cents:

	Yen at Par 49.85c.	Yen at 29c.
Invoice 1 yen	49.85	29.00
50% duty	24.92	14.50
Duty paid price	74.76	43.50

Note:—At twice the duty the depreciation of yen would still give Japanese manufacturer a great advantage as the yen still buys labor and materials in Japan at same price.

Antagonize Great Britain

W. P. MacDougall in a recent address to the Silk Association stated that Canada buys much more from Japan than the published figures show. The silk industry is a good customer, buying 2.7 million pounds of raw silk valued at $3.8 millions in the year ended March 31, 1935. Nearly all of this entered Canada via the United States.

Japan's present attitude toward Canada is leading silk people to study British policy with regard to purchases of raw silk. It enters Canada free of duty but Great Britain charges a duty of 36 cents per lb. on Japanese raw silk. The British idea is to throw employment to British workers by forcing much larger use of artificial and other fabrics.

Final Employment Index

The index of employment in Canada, after seasonal correction, was 95.1 for all industries and 95.4 for manufacturing on June 1, 1935.

MONARCH-KNIT

Knitted Outerwear
for Men, Women and Children
Debutante Full Fashioned Hosiery for Women
Men's Silk and Wool Socks
Seamless Hosiery for Women and Children
Hand Knitting Yarns

The Monarch Knitting Company, Ltd.

Factories at
Dunnville, St. Thomas, St. Catharines
Head Office: Dunnville, Ont.

Branch Offices:
Toronto, Hamilton, Ottawa, Winnipeg, Calgary, Vancouver, Moncton.
also
The Monarch Knitting Company of Quebec Limited
Confederation Building, Montreal

TEXTILE COS. EMPLOY 100,000 CANADIANS DURING DEPRESSION

(Continued from page 11)

adian Celanese. Courtauld's is owned by Courtauld's Ltd. of England and produces rayon from wood fibres. Canadian Celanese, owned by foreign interests, produces artificial silk from cotton lintels and its patented processes effectively exclude competition. Courtauld's is protected by the fact that it would need a very large investment to create competition.

Each of these companies employs more than 500 workers and is established in a town of less than 15,000 population. In five years total production had a phenomenal increase. Sales in 1933 more than doubled 1929 totals and mill employment went up 80 per cent. This is partly due to replacement of imports but more to a wider use of rayon yarn by textile producers in other lines. Cotton companies particularly bought largely from Courtauld's. Celanese benefitted most from falling of imports and popularizing of their products with the general public.

Both groups had "relatively good records" in employment policies, the Price Spread report states.

Hosiery

There are 32 hosiery manufacturers of which the largest company had 16 per cent of the sales, the next largest 9 per cent and each of the others 6 per cent or less. Of this total 19 are in Ontario, 12 in Quebec and one in Nova Scotia. More than half of the establishments are in towns of more than 15,000 population and one quarter of the total are found in the largest cities.

In 1933 domestic mills supplied 98 per cent of the Dominion's total needs as compared with 68 per cent in 1930. Employment gained 3 per cent and demand decreased during the period.

Nearly one half of the output of these mills is sold direct to the smaller retailer by the manufacturers. Chain and department stores took 38 per cent and wholesalers 17 per cent.

The invested capital exceeds $10 millions. Four public companies represented less than 10 per cent of the total capital. Privately owned Canadian companies made the largest single class although companies partly or entirely controlled by United States interests were almost as great in point of invested capital. Operations have tended to be more profitable during the depression.

Needle Trades

In a note on the needle trades of Canada the Price Spreads Commission's report of 1935 states that they are characterized by instability caused by seasonal variations in demand. This is intensified by the uncertainties of style changes and further accentuated by the state of general disorganization produced by a large number of small establishments. These are continually being started, changing hands, failing and closing. This prevents the establishment of any recognized standards of quality or price for the product or of managerial efficiency or of stable employment conditions.

System of Contractors

"Most modern industries," points out the report, "use complicated and expensive machinery. They require a heavy capital investment and operate in large scale plants to turn out standardized products under a highly skilled management. In them concentration may give rise to problems of monopolistic or semi-monopolistic practices. Except perhaps in times of severe depression, however, the evils of cut-throat competition seldom develop.

"But, in the needle trades, hand-sewing persists and machinery, if used at all, is limited to inexpensive sewing machines. One can enter the business on a small scale with very little capital investment and no previous managerial experience. This is particularly true in those branches where the use of the 'contractor' is common."

Practically all the criticism of the Price Spreads Commission as to low wages, long hours and inadequate living conditions was directed against the needle trades. Much of the evil resulted from the form of organization, it was pointed out, and might disappear if this business had been organized into large corporations requiring large investment for equipment.

Brantford Cordage

Supplies One Quarter of Canada's Binder Twine Requirements — Big Crops Should Help

Brantford Cordage Co. supplies about one-quarter of the Canadian consumption of Canadian binder twine and in addition has a considerable export trade. As a result of its specialization in the manufacture of binder twine it depends to a considerable extent on the size of crop, particularly the western grain crop, and the prosperity of the farmers producing the same.

While the company has come through the depression with no actual losses, earnings have fluctuated all the way from slightly under $2,000 to a high of $416,000 in 1929.

For the year ended August 21, 1934, the company reported a net profit of over $222,000 or more than double that earned in 1933. Notwithstanding this improvement, W. M. Messecar, president of the company, expressed extreme caution regarding the future. "While the statement shows an improvement over the previous year," he said, "the outlook for the future is clouded by an unprecedently heavy carryover of surplus twine from last season in the hands of manufacturers and dealers throughout North America and the effect of this on future operations cannot at present be determined."

On the other hand, the promise of very much larger crops throughout Canada and the North American continent this year and prices at least equal to last year, cannot but help have a material effect on sales of such companies as Brantford Cordage.

Capitalization—	Authorized	Outstanding
Common .... No par value.	100,000 shs.	80,000 shs.
1st pref., cum.	$2,500,000	$1,444,500
2nd pref., cum. .. Par $25.	850,000	850,000

Funded Debt—
None.

Dividend Record—
1st preferred—$2 per annum, payable quarterly, Jan., Apr., July and Oct. 15. Initial dividend paid July, 1925, and regularly since.
2nd preferred—$1.75 per annum, cumulative, from April 15, 1925. Initial dividend of $1.75 per share paid Nov. 25, 1930. None since.
Common—None paid.
Head Office—Brantford.

Officers and Directors—
Officers—W. M. Messecar, pres. and gen. mgr.; Thomas Neilson, W. C. Wells, vice-presidents; W. C. Wells, sec.-treas.
Directors—W. M. Messecar, W. C. Wells, B. E. James, Brantford, Ont.; Glyn Osler, H. R. Tudhope, Toronto; Thomas Neilson, Stratford.

Earnings per Share and Div. Record—

	1934	1933	1932
1st pref.: Earn. ...	$3.84	$1.57	$1.11
Paid	2.00	2.00	2.00
2nd pref.: Earn. ..	3.05	...	...
Paid	...	...	...
Common: None paid.			

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	142,116	152,038	627,276
1929	416,333	147,887	903,550
1930	348,876	141,201	1,109,629
1931	20,995	197,796	956,645
1932	79,588	134,836	909,714
1933	101,320	124,657	907,065
1934	222,043	118,380	1,014,355

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
1st Pref.	30	27½	29	22	23	18½

*To July 16.

Canadian Celanese

Operations and Profits Reach Record Levels—Dividend on Common Stock Expected in Near Future

Sales and earnings of Canadian Celanese are reported continuing at a high level and there is persistent talk of a dividend on the common stock in the near future

The volume of business handled by this company has steadily increased and plant operations at Drummondville have been at capacity for some time past. Various additions have been made to manufacturing equipment and plant, but the demand continues to take care of the increased productive facilities.

Wipe Out Arrears

Late last year preferred shareholders of Canadian Celanese approved a plan which resulted in the wiping out of arrears amounting to approximately $24 a share and involving total amount of $2.16 millions on the 90,000 shares outstanding.

The plan put forward by the company and approved by the shareholders capitalized the dividend arrears through the creation of 90,000 income refunding rights of no par value, but with a redemption value in the case of liquidation of $25 a right. The company obligated itself to set aside from earnings an annual amount of $122,400, which covers interest up to $1 a right, with balance available for redemption of the rights.

These rights were distributed on the basis of one right for each share of preferred stock held.

Basis of Distribution

Under the plan, the first charge on net profits of the company (if earned) will be the appropriation of $122,400 for interest on the income funding rights, amounting to a maximum of $90,000 and the balance for redemption purposes. The second charge on net earnings is cumulative dividend of 7 per cent on the preferred shares. The preferred also shares surplus profits to the extent of 10 per cent after making provision for the foregoing charge and after providing for any loss carried forward from any previous year or years. Before any dividends can be paid on the common stock, the company must first set aside out of earnings, subsequent to December 31, 1934, $367,200 cash or investments, to be used for payment of interest on the rights during a period of three years.

Earnings of the company for 1934 reached the highest point yet recorded, amounting to $2.1 millions as against previous record figure of $1.8 millions established in 1933. After providing for senior charges, the net profit available for distribution on the preferred stock was equal to approximately $16.50 a share compared with $14.01 a share in the previous year.

For the first quarter of 1934, net profits of Canadian Celanese were $40,000 higher than for the same period last year. This result was achieved in the face of lower prices and was made possible by an expansion of sales.

Capitalization—	Authorized	Outstanding
Common .... No par value.	300,000 shs.	250,409 shs.
Preferred .... 7% cum., par $100.	$15,000,000	$9,000,000

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent cumulative, participating, payable quarterly Mar., June, Sept. and Dec. 30; none paid until Dec. 31, 1930; paid regularly since. In addition, $5.75 paid on arrears. Balance of dividend arrears of $24 per share paid off in Jan., 1935, by the issue of income funding rights. The first participating dividend amounting to $1.91 a share was paid March 30, 1935. Common: none paid.
Head Office—Montreal.

Officers and Directors—
Officers—G. H. Whigham, chairman; Dr. Camille Dreyfus, pres.; W. McC. Cameron, vice-pres., Lee Cadien, sec.-treas.; H. Blancke, asst. sec. and asst. treas.; C. W. Palmer, vice-pres. in charge of sales.
Directors—G. H. Whigham, Dr. Camille Dreyfus, W. McC. Cameron, Lee Cadien, New York; Brig.-Gen. Sir Wm. Alexander, Dr. Henri Dreyfus, London, Eng.; C. L. Auger, Patterson, N.J.; P. A. Thomson, A. Schwartz, Montreal.
Finance and Executive Committee—P. A. Thomson (chm.), G. H. Whigham, Dr. Camille Dreyfus, W. McC. Cameron.

Earnings per Share and Div. Record—

	1934	1933	1932
Pref.: Earn.*	$16.72	$14.01	$7.98
Paid	7+2.25‡	7+2.50‡	7+$1‡
Com.: Earn.†	3.49	2.52	0.35
None paid.			

*Before making provision for arrears in preferred dividends.
†Before making provision for arrears in preferred dividends, but after deduction of full year's dividends on preferred stock, namely $630,000.
‡On arrears.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	180,409	......	851,649
1929	527,519	......	1,216,966
1930	1,254,530	315,000	1,713,479
1931	1,260,449	630,000	1,730,478
1932	1,301,191	720,000	1,723,450
1933	1,857,666	855,000	1,628,176
1934	2,094,755	832,500	1,719,000

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com.	24¼	18¼	23¼	15¼	28¼	6¼
Pref.	118	100	120	104	112	70

*To July 16.

Tooke Bros.

Montreal Converter Shows Operating Losses in Recent Years

Tooke Bros., Montreal, manufacturers of shirts, handkerchiefs, etc., have experienced a number of difficult years, with trading losses being reported between 1932-1934 fiscal years. The 1934-35 fiscal period ended last month, but it is not expected that the financial statement will be available until later on in the year. It is not known whether or not the company has been able to convert the trading loss into an operating profit, but it is expected that some improvement will be shown over the 1934 returns, when the loss totalled $22,815 for bond interest.

Capitalization—	Authorized	Outstanding
Common .... No par value.	10,000 shs.	8,725 shs.
Preferred .... 7% cumulative. Par $100.	$1,250,000	$985,000

Funded Debt—
1st mtge. 7% bonds, due 1942, $223,100.

Dividend Record—
Preferred—7 per cent cumulative, payable Jan., Apr., July and Oct. 15; paid regularly from April, 1927, to July 15, 1931; none since.
Common—None paid.
Head Office—Montreal.
Officers — W. K. Trower, pres.; D. A. Young, vice-pres. and man. dir.; R. Craig, sec.-treas.
Directors—W. K. Trower, D. A. Young, H. J. Trihey, F. J. Knox, W. G. Hanson, Lt. Col. C. W. MacLean, Montreal; H. Barrett, Toronto.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	109,696	68,950	324,934
1929	155,856	68,950	337,231
1930	163,185	68,950	386,965
1931	40,320	68,950	258,937
1932	*27,880	......	117,387
1933	*139,216	......	*42,473
1934	*22,804	......	*80,190

*Loss or deficit.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com. ..	..	..	..	..	..	..
Pref. ..	15	15	15	12	16½	12

*To July 17.

Goodyear Cotton

Company Maintains Active Production But Raw Material Costs Higher

Goodyear Cotton Co. of Canada sells the entire output of plant to Goodyear Tire and Rubber Co. of Canada which owns all of its 5,250 no par value common shares.

The plant of Goodyear Cotton Company for the manufacture of tire fabric is at St. Hyacinthe, Quebec, and is equipped with 42,000 spindles. It has six and one-third acres of land and a mill with a floor space of 398,000 square feet. It was founded in 1920 in Canada as Canadian Manhasset Cotton Co. and control passed to Goodyear Tire & Rubber Company in 1926.

The company has now no funded debt and is a profitable subsidiary of Goodyear Tire and Rubber. In the annual statement of Goodyear Tire and Rubber it is stated that the average spot cost of middling Uplands cotton for 1934 was 42.7 per cent in excess of the average spot cost for 1933. These were contributing factors to an increase in the cost of production for both companies. It was not possible to counterbalance entirely these increases in cost by any marked increase in prices of finished products owing to competitive conditions in the tire field. These summer tire prices were again reduced in order to stimulate buying and to meet lower prices of unbranded products. This reduction was made by all the major companies in the tire industry.

Capitalization—	Authorized	Outstanding
Common .... (No par value).	5,250 shs.	5,250 shs.

Entirely controlled by the Goodyear Tire & Rubber Co.

Dividend Record—
Common—None paid.

Officers and Directors—
Officers—C. H. Carlisle, pres.; E. H. Koken, vice-pres.; R. C. Berkinshaw, treas.; O. H. Barrett, sec.; S. M. Barbour and W. H. Jeeves, asst.-treas.; H. A. Tipple, asst. sec.; J. P. Goudreault, mill supt.
Directors—C. H. Carlisle, E. H. Koken, R. C. Berkinshaw, J. E. McAllister, Toronto; C. Slusser, P. W. Litchfield, S. A. Steere, Akron, Ohio.

Can. Cons. Felt

Sales of Canadian Consolidated Felt Co., subsidiary of Dominion Rubber Co., increased by nearly $85,000 last year, with the result that the company was able to show a small operating profit of $8,673, compared with a loss of $3,652 in the previous year.

The company operates a plant at Kitchener, Ont., for the manufacture of general felt goods, boots, overshoes, etc. Controlling interest was secured by Dominion Rubber upon formation of the company in 1910. Earning power has been insufficient to take care of interest requirements for some years, but payments have been met regularly from reserves.

Capitalization—	Authorized	Outstanding
Common	$1,500,000	$1,500,000
Preferred ...... (Par $100).	500,000	500,000

51 per cent of the common stock is owned by the Dominion Rubber Co.

Funded Debt—
First mortgage, 6 per cent, due 1940, outstanding *$179,000.
*$65,000 to be redeemed at 105 on Oct. 1, 1935.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable Jan., Apr., July and Oct. 1. Paid regularly from incorporation to July 1914; none thereafter until March 30, 1929, when 2½ per cent interim dividend was paid. Similar payments were made June 30, Sept. 30 and Dec. 30, 1929; April 2 and June 30, 1930. As at Dec. 31, 1934, dividends were in arrears to the extent of 128.50 per cent.
Common—No dividends paid.

Officers and Directors—
Officers—W. A. Eden, pres.; G. W. Charles, vice-pres.; J. G. Barrow, vice-pres. and gen. mgr.; H. P. Nellis, sec.; A. Whitehouse, treas.
Directors—W. A. Eden, G. W. Charles, H. R. Nixon, A. Whitehouse, all of Montreal; F. Bauslaugh, Brantford; J. G. Barrow, Kitchener.

Times Bond Interest	1934	1933	1932
Earned§	nil	nil	0.1

§After deducting interest in excess of bond interest, provision for bad debts and depreciation.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	97,231	......	389,306
1929	73,979	50,000	391,013
1930	38,897	25,000	389,888
1931	4,933	......	349,386
1932	33,887	......	324,080
1933	*3,652	......	263,937
1934	7,593	......	230,246

*Loss.

Woods Mfg.

Steady Improvement is Recorded — Good Gain Last Year

Financial statement of Woods Manufacturing Co. for 1934 reflected a relatively substantial increase in net earning power. Total income amounted to $232,020, compared with $170,617 in 1933. After taking care of all senior charges, net income at $104,097 was nearly double that for the previous twelve months.

During 1930 and 1931 the company experienced setbacks due to heavy losses on raw materials. In 1932 an improvement was noted and since then gains have been steady. This improvement has largely been due to the increased mining activity, resulting in a better demand for sleeping bags, tents, outdoor clothing, etc., which make up the chief output of the company's plant.

Capitalization—	Authorized	Outstanding
Com., n.p.v.	24,920 shs.	17,106 shs.
Preferred .... Par $100.	$2,481,800	$1,528,300

Funded Debt—

1st mtge., 6% bonds, ser. A, due 1943	2,000,000	600,500

Dividend Record—
Preferred—Entitled to 7 per cent per annum, payable quarterly, Jan., Apr., July and Oct. 1. Passed Apr. 1, 1931. None since.
Common—Last paid Sept., 1923.

Officers and Directors—
Officers—T. Mitchell, vice-pres. and gen. mgr.; Harold Crabtree, vice-pres.; J. T. F. Keene, sec.-treas.; R. M. Stott, asst. gen. mgr. and asst. sec.-treas.
Directors—S. E. Woods, Ottawa; Glyn Osler, Toronto; Thomas Mitchell, J. W. Pyke, Harold Crabtree, W. A. Eden, Montreal; G. Sackville Browne, Westmount, Que.

Times Bond Interest Earned—

	1934	1933	1932
Before deprec.	6.18	4.32	2.93
After deprec.	4.41	2.76	2.14

Earnings per Share and Div. Record—

	1934	1933	1932
Pref.: Earned	$6.81	$3.87	$3.06
Paid	....	....	....
Com.: Earned	....	....	....
None paid.			

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	281,043	106,981	295,912
1929	222,266	106,981	314,173
1930	*69,208	106,981	71,859
1931	*30,686	......	200,591
1932	123,699	......	247,347
1933	170,617	......	306,554
1934	229,520	......	410,652

*Loss.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com. ...	..	..	..	..	..	..
Pref. ...	70	60	61	20	18	7

*To July 16.

Ontario Silknit

Company's Business Recovers and Dividends Resumed on Preferred Stock

Ontario Silknit's 1934 earnings were the largest since 1929. It was therefore able to resume dividends on the 7 per cent preference stock which was still in arrears on June 15, 1935, to the extent of $20.75 a share.

This company, which was incorporated under Dominion laws on June 7, 1928, manufactures "Maybelle" lingerie, dresses and other rayon products. It supplies Canada, Australia and the British Isles.

The company's plant consists of three buildings in Toronto with 150,000 square feet of floor space. It operates a subsidiary knitting and dyeing plant in Sydney, Australia, and another branch at Mount Royal, London, England, is operated by another subsidiary, Ontario Silknit (England) Ltd.

Capitalization	Authorized	Outstanding
Common ...... No par value.	100,000 shs.	40,085 shs.
Pref. 7% ...... Par $100.	$1,500,000	$1,000,000

Funded Debt—
None.

Dividend Record—
Preference—Entitled to 7 per cent cumulative per annum, payable quarterly, March, June, Sept. and Dec. 15. Initial dividend of $1.75 paid Sept. 15, 1928, and regularly thereafter to and including Sept. 15, 1931; passed until payment of $2 Jan. 10, $1.75 Mar. 15 and $1.75 June 15, 1935; in arrears as at June 15, 1935, $20.75 per share.
Common—None paid to date.
Head Office—Toronto.

Officers and Directors—
Officers—M. H. Epstein, pres.; W. B. Milner, vice-pres.; A. R. Greene, sec.; H. Greisman, treas.
Directors—M. H. Epstein, H. Greisman, A. R. Greene, W. B. Milner, C. H. Burgess, R. M. Leslie, all of Toronto; G. Epstein, Sydney, Australia.

Earnings per Share and Div. Record—

	1934	1933	1932
Pref.: Earned	$9.81	$4.17	‡$1.51
Paid	2.00	nil	nil
Com.: Earned†	0.70	nil	nil
None paid.			

†After allowing full year's dividends on preference shares outstanding as at Dec. 31.
‡After writing down net current assets of foreign subsidiaries to basis of current rate of exchange.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	229,409	29,750	136,709
1929	311,359	59,920	288,206
1930	116,118	70,000	112,213
1931	170,419	52,500	53,647
1932	158,270	......	58,934
1933	173,189	......	150,374
1934	255,602	20,000	228,509

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com. ..	13½	8	8½	2½	9	4
Pref. ..	92	75	79	31	45	28

*To July 17.

Stanfields

Earning power of Stanfields Ltd., Truro, N.S., one of the oldest and largest manufacturers of woollen underwear and other lines in the Dominion, has been well maintained in recent years.

While there is a fair-sized public investment interest in this enterprise, control and policies have always been held by the Stanfield family. The direction given by the family has resulted in building up an organization with a Dominion-wide connection.

Capitalization	Authorized	Outstanding
Common .... No par value.	12,000 shs.	10,000 shs.
Preferred 6% .... Par $40.	$400,000	$400,000

Head Office—Truro, N.S.

Officers and Directors—
Officers—Frank T. Stanfield, pres.; C. E. Stanfield, vice-pres.; A. J. Campbell, sec.; E. H. Abbott, treas.
Directors — Frank T. Stanfield, chm.; C. E. Stanfield, A. J. Fraser, A. J. Campbell, H. F. Bethel.

Dividend Record—
Preferred—Entitled to 6 per cent per annum, non-cumulative. No payments to 1934; 6 per cent for year 1934 paid Jan. 15, 1935.
Common—Not reported.

Seven Years' Earnings—

Year	†Earnings $	Dividends $	Surplus $
1927	135,419	40,000	530,766
1928	166,199	40,000	641,965
1929	156,953	60,000	723,918
1931	*18,213	......	18,213
1932	*19,865	......	38,078
1933	*63,350	......	101,428
1934	*119,864	......	197,292

*New company. No report issued for 1930.
†After depreciation, taxes, bad debts, etc.

Earnings per Share and Dividend Record—

	1934	1933	1932
Pref.: Earned ...	$11.90	$6.33	$1.99
Paid	2.40	nil	nil
Common: Earned	9.59	3.93	nil
None paid.			

A Moco FABRIC REGISTERED

A Standard of Quality for over 60 years

Moco fabrics and yarns have been favourably known throughout the Dominion for over six decades. Behind this reputation for quality stands a company which is still operating under its original identity making it the oldest cotton manufacturer in Canada.

Throughout its growth and progress Montreal Cottons Limited have never compromised with quality and to-day Moco fabrics and yarns enjoy a better reputation than ever.

Moco

Moco products are made in Canada by

The MONTREAL COTTONS Limited
MONTREAL TORONTO WINNIPEG VANCOUVER

Hamilton Cotton

Company Business in Last 18 Months Has Materially Increased

Hamilton Cotton Co.'s net earnings showed a marked increase in 1934. The increase continued into 1935 and the directors were able to declare a dividend of 50c. per share and the arrears of dividends on the preferred stock. This was paid on July 1, 1935. The last previous payment for the same amount had been paid on April 1, 1935, to shareholders of record, March 15.

The company has a fair working capital position but at the end of 1934 there was a bank loan of $230,000 which had been absent in years previous to 1933. It also had a liability in secured notes of its subsidiary, Trent Cotton Co., due 1939 for $85,000. Funded debt since 1929 has been reduced from $1 million to $813,000.

The company reports good forward business with trying competitive conditions in certain lines. It spins, weaves and manufacturers diverse webbing, yarn, twine, cordage, cotton and cloth products for domestic and foreign consumption.

Capitalization—	Authorized	Outstanding
Common	$600,000	$570,360
Preferred .... Par value $30.	600,000	584,910

Funded Debt—
First mtge. 5½ per cent series A bonds, due 1948, $813,000. In addition, the Trent Cotton Co., subsidiary, has secured notes outstanding, due May, 1939, of $85,000.
Preference—Entitled to $2 per share per annum, payable Jan., April, July and Oct. 1. Initial dividend paid July 1, 1928, and regularly to and including Oct. 1, 1931; none thereafter until Apr. 1, 1935, when 50c paid on arrears; 50c paid on arrears July 1, 1935.
Common—None paid.
Head Office—Hamilton.

Officers and Directors—
Officers—A. V. Young, pres. and gen. mgr.; J. V. Young, vice-pres. and treas.; J. C. Burns, asst. treas.; J. Bowstead, sec.
Directors—A. V. Young, J. V. Young, W. S. Burrill, M. B. Holton, F. Allen, Hamilton; D. Stewart, H. R. Tudhope, Toronto.

Times Bond Interest—	1934	1933	1932
Earned	4.04	1.25	0.02

Earnings per Share and Dividend Record:

	1934	1933	1932
Pref.: Earn.†	$6.25	$0.59	nil
Paid	nil	nil	nil
Common: Earn.† ..	4.04	nil	nil
None paid.			

†Before deduction of income tax.

Seven Years' Earnings—

Year	*Earnings $	Dividends $	Surplus $
1928	186,844	30,000	282,687
1929	137,451	39,360	317,013
1930	97,942	39,152	320,114
1931	54,797	29,268	293,056
1932	†904	......	242,818
1933	57,964	......	252,973
1934	188,736	......	366,055

*After depreciation.
†Including $22,710 profit from purchase of company's bonds, less adjustments and after deduction of depreciation, $56,044.

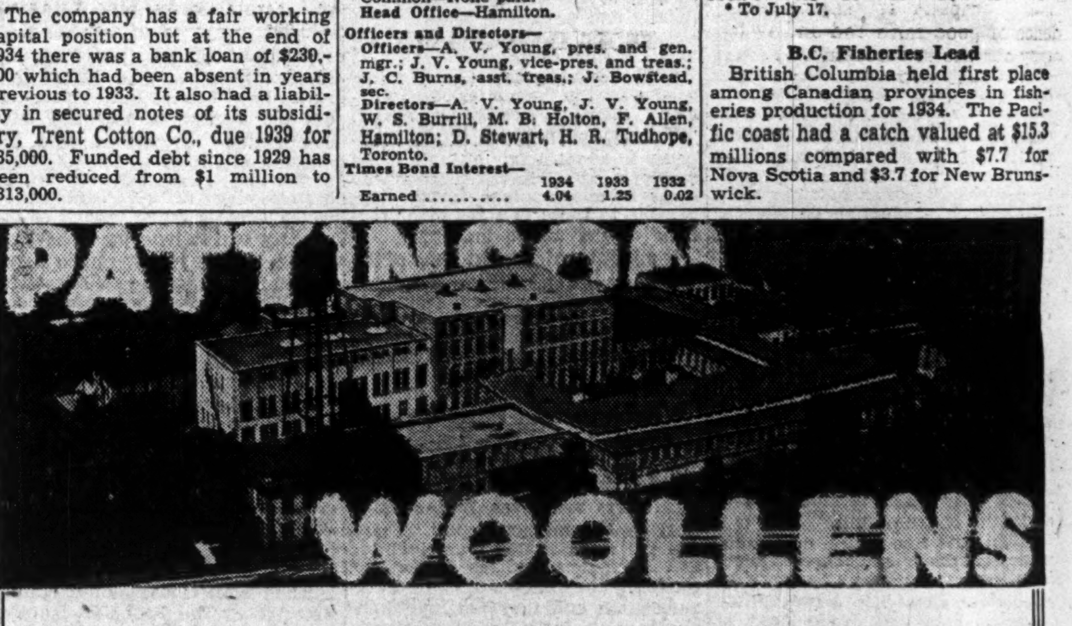
Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Pref. .	30¼	24	25	14	15	4

* To July 17.

B.C. Fisheries Lead

British Columbia held first place among Canadian provinces in fisheries production for 1934. The Pacific coast had a catch valued at $15.3 millions compared with $7.7 for Nova Scotia and $3.7 for New Brunswick.



Recognized Leaders in the Canadian Trade for Sixty-five Years

"Pattinson Woollens" are known and accepted for their high standard of quality that is constantly dependable—from year to year. Our mills at Preston are commonly recognized as the most modern and best equipped in Canada. Uniform weaving, superior finish, up-to-date patterns and colours as well as the use of quality yarns are features of "Pattinson Woollens."

Manufacturers of

MEN'S
Overcoatings Topcoatings
Tweed Suitings Mackinaws

LADIES'
Cloakings Blanket Cloths
Polos Tweeds

GEO. PATTINSON & CO. LIMITED
PRESTON *Established 1870* ONTARIO

THE REGENT KNITTING MILLS LIMITED

REGENT KNIT—a symbol of Integrity and Progress

Established in Montreal in 1913, the Regent Knitting Mills Ltd., occupies its own thoroughly modern plant at St. Jerome, which includes its own power development.

The company employs 550 workmen in its manufacture of woollen, worsted and fancy knitted merchandise.

The reputation for quality products built up in its 22 years of progress, has created a sound trade and consumer goodwill.

WOOLLEN AND WORSTED YARNS: KNITTED OUTERWEAR: JERSEY CLOTH: HAND KNITTING YARNS

THE REGENT KNITTING MILLS LTD.
Head Office • Montreal

Aerial view of modern mills at St. Jerome, P.Q.

Three Decades of Textile Stewardship

Stabilization of Cotton Textile Industry brought about at Beginning of Century by Merger of Operators going to make up Dominion Textile Company — Sound and Constructive Policies have Created Equities and Earning Power.

Original Syndicate Put Up $1,000,000 in Cash; No Securities Offered to the Public.

Earnings Put Back Into Property Enable Company to Keep Plants Modernized; Lower Cost of Merchandise; Increase Efficiency and Pay Larger Wages to Workers.

Present Dividend of $5 a Share Equivalent to Return of 5.55% to Shareholder on His Present Equity in Company; 2,800 Shareholders, of Whom 92.8% Are Resident in Canada.

THE story of the Dominion Textile Company is not different essentially from that of other concerns which, through sound and constructive policies, have, step by step, created equities and earning power. At the same time it is a story of a small group of men who had the vision and courage of their convictions to risk a large sum of money at a time when the industry faced almost certain ruin.

At the turn of this century ruinous price wars tore the cotton textile industry. Mills undercut each other with shareholders and employees suffering equally as a result. They fought for orders. They installed new machinery even for small orders and as a consequence filled them at a loss to themselves.

Efficient production through the specialization in the manufacture of certain types of cloth and the economies made possible by bulk purchase of raw materials, were both denied them, because of the multitudinous number of products manufactured.

Textile firms failed to earn enough to pay their bond interest. Common stocks were valueless. The mills were heavily in debt to the banks. And finally it became apparent that only reorganization could save a large proportion of the industry.

It was under these conditions that the Dominion Textile Company was born in 1905 out of the merger of the Dominion Cotton Mills Company, the Merchants' Cotton Company, the Montmorency Cotton Mills Company and the Colonial Bleaching and Printing Company.

STAKE OF $1,000,000

In order to carry out the reorganization a group of men prominent in the business world of Montreal at that time, and including some of the directors of these four companies, formed a syndicate for the purpose of making an offer to the shareholders of all the companies. The sum of $1,000,000—a large amount in those days—was deposited with the Royal Trust Company as tangible evidence of good faith and ability to carry out the undertaking.

Individual members of the syndicate undertook to purchase 5,000 additional preferred stock of Dominion Textile Company at par of $100 a share, calling for $500,000 in cash and 50,000 shares of common stock of $100 par value, at $10 a share, requiring a further $500,000 to be paid into the new company.

OPERATING THIRTY YEARS

Dominion Textile Company got under way 30 years ago last April and faced the task of building up a manufacturing and selling organization from the combined facilities of the former companies. It had control of over $10,000,000 worth of plant and machinery, and possessed adequate working capital through the $1,000,000 of cash paid into the treasury by the syndicate members.

Shareholders of the old companies held the bulk of the new company's senior securities with a fair prospect of getting a return on their money, while the syndicate members, who had collectively staked $1,000,000 cash, stood a chance of eventually making something out of their common share holdings if the venture proved successful.

In direct contrast to some latter-day financing, not one share of the new stock was foisted on the public. The men who put up the money were the men who had conceived the project, and the public were not inveigled into a venture whose future was very uncertain.

MERGER WAS SUCCESSFUL

During the initial dozen years of its existence, i.e., the first Dominion Textile Company, the merged enterprise made notable progress. The conglomeration of manufacturing facilities acquired by the new company became welded into a compact and successfully operating organization.

The first common stock dividend was paid in the fiscal year 1908, of 5 per cent, and this rate remained in effect for the succeeding four years, calling for annual dividend payments of $250,000. Interest payments on the bonds and preferred stock of the new company were met during the first and subsequent years. Shareholders of the old companies had every reason to be thankful for the changed course in their fortunes.

In 1913 the common dividend was changed to 5½ per cent, and in 1914 to 6 per cent, where it remained during the war years.

In the short-lived boom in cotton manufacturing all over the world, which came about immediately after the war, earnings rose sharply and amounted to $1,695,730 in 1919 against total dividend requirements of only $535,842. The world was starved for cotton goods and very remunerative contracts were secured in Roumania and the United States. In the face of the greatly increased earnings, the company remained true to its traditional policy of building up additional equities within the concern, and distributed these earnings only to the extent of $10 per share in 1921 and $12 per share in 1922, requiring amounts of $500,000 and $600,000 respectively.

REORGANIZE IN 1922

In December, 1922, the first new financing was done since 1905. 25,000 common shares of $100 par value were sold to shareholders at par, increasing the total issue of common stock to 75,000 shares. Shortly afterwards, a new company was formed, Dominion Textile Co., Limited, 1922, to take over the 1905 company. The only difference between the old and new companies was a change from 75,000 common shares of $100 par value to 225,000 shares of no par value common stock which were assigned a total book value of $15,000,000. Shareholders of the old company received three no par value shares of the new company for each $100 par value share held in the old company.

REORGANIZATION JUSTIFIED

This reorganization in 1922 was justified by the condition of the company at that time. The market value of the old $100 par value shares had risen to over $200 per share, which rendered them unwieldy and unsuited to the portfolios of the small investors who constitute a large proportion of the ownership of the company. Furthermore, there was no representation on the balance sheet of the real value of the company's physical assets which an appraisal in 1920 had established at $22,918,033 net depreciated value.

Over a period of fifteen years, the physical assets acquired in 1905 and worth approximately $11,000,000 at that time, had been doubled in value through a steady program of yearly replacements and betterments, combined with the natural appreciation in value of all kinds between 1905 and 1920. The last balance sheet of the original company—March 31, 1923, showed the land, buildings and machinery at a net value of $13,003,120. The first balance sheet of the 1922 company dated March 31, 1924, carried these fixed assets at $20,178,023, giving closer effect to the actual appraisal values represented in the company's holdings of land, buildings and machinery.

CREATE ADDITIONAL VALUES

It is not difficult to trace the step-by-step building up of additional values. The company's balance sheet as at March 31, 1924, shows that $5,390,002 had been put back into the company through reinvested profits, the greater part of which would naturally be represented in additions to plant and equipment, after full provision was made out of earnings for depreciation and obsolescence of plant and machinery. The effective depreciation written off over the period to 1924 amounted to $9,400,156, which was more than sufficient to take care of actual wear and tear and to cover, as well, capital losses, amounting to $540,895, incurred in disposing of certain unprofitable units of the old Dominion Cotton Mills Co., Limited, where manufacturing operations were discontinued.

Over the same period, the company had followed a policy of keeping its physical properties in the best possible state of repair, and had spent $6,926,746 on repairs to buildings and machinery.

The new set-up in 1923 only served to give recognition to the true position of the company, and it was in no sense the means of introducing "water" into the company's capital structure.

From 1924 up to the present day, the only other change has been the issue of a further 45,000 common shares of no par value, sold to shareholders at $75 per share in 1928. This move brought in $3,375,000 cash which was required at that time to assist in financing the acquisition of two more plants in Sherbrooke and Drummondville.

EQUITY BEHIND SHARES

The total number of no-par-value common shares now outstanding is therefore 270,000 shares, with a book value of $18,375,000 as of March 31, 1935. This book value does not include surplus account of $5,825,876, which makes the total equity behind the common shares $24,200,876, or approximately $90 per share.

The company is at present paying dividends at the rate of $5 per annum, indicating a return of 5.55 per cent to the shareholder on his present equity in the company.

SURPLUS HAS BEEN BUFFER

There has recently appeared a tendency to disapprove of a company's building up a substantial surplus. Actually, Dominion Textile Company's surplus account only represents accumulated earning in excess of dividends; earnings which are represented by an increase in the net assets of the business, including investments in bonds and shares of other companies. Its function is to act as a buffer between those dependent on the company, such as its employees and shareholders, and the hard bumps of adverse conditions.

Although the company has failed, in five out of the six years following March 31, 1929, to earn sufficient from manufacturing operations to meet its obligations, including a reasonable return to common shareholders, it has been enabled, by virtue of its income from investment account and drawings on surplus account, to avoid drastic reductions in wages and dividends.

RETURN TO INVESTOR

The return which the original owner of common shares in Dominion Textile Company Limited has had on his investment from 1905 up to date, has been the subject of misunderstanding, and a matter to which much false publicity has been given. One point has usually been completely overlooked, namely, that the man who paid $10 for a common share in 1905 was really adding that amount to the investment which he already had in the new venture; for all he knew he was throwing good money after bad. As a shareholder in one of the old companies, he had probably taken anything up to a 50 per cent loss in the conversion of his shares into securities of the new company. Therefore, when the common stock began to pay a dividend some years later, while he got a high return on his additional $10 per share, the total return over the total investment was not unduly large. The extra return included in that total, resulting from his purchase of common shares, was not a disproportionate reward for his faith and initiative in consenting to put new money into the venture.

Where a shareholder of, say, the Dominion Cotton Mills Co. Limited, not being in a position to invest fresh capital, accepted Dominion Textile Company, Limited, bonds and preferred stock in exchange for his old common shares, he took a 50 per cent write-down in the face value of his holdings, and the return on the face value of his former investment, now converted into senior securities of the new company, was 3¼ per cent for the first year and thereafter.

YIELD ON INVESTMENT

In the case of a shareholder in the same company who, as a member of the syndicate, not only exchanged his old shares for bonds and preferred stock on the same basis as the first man, but who also bought enough new preferred and common stock to bring the total face value of his investment in the new company back to the face value of his investment in the old company, subscribing an equal amount of cash each for the new preferred and common. His return, including the 7 per cent dividend on his purchased preferred stock, was only 3.27 per cent on the total investment during the first two years after 1905, since over that period no dividend was paid on the common stock. In 1908 when the first common dividend was paid at the rate of 5 per cent, his rate increased to 5.38 per cent over all; when the common shares reached a 12 per cent dividend basis in 1919, the return was 8.3 per cent.

In the exchange of old par value for new no par value common shares on a three-for-one ratio in 1923, the dividend return was reduced to $4 per share, leaving the yield unchanged. Since 1923 the dividend rate has fluctuated between $4 and $5 a share, and at present (July, 1935) is $5 per share, yielding 9½ per cent on the original investment in the old and new companies to a shareholder who has retained his interest from the outset.

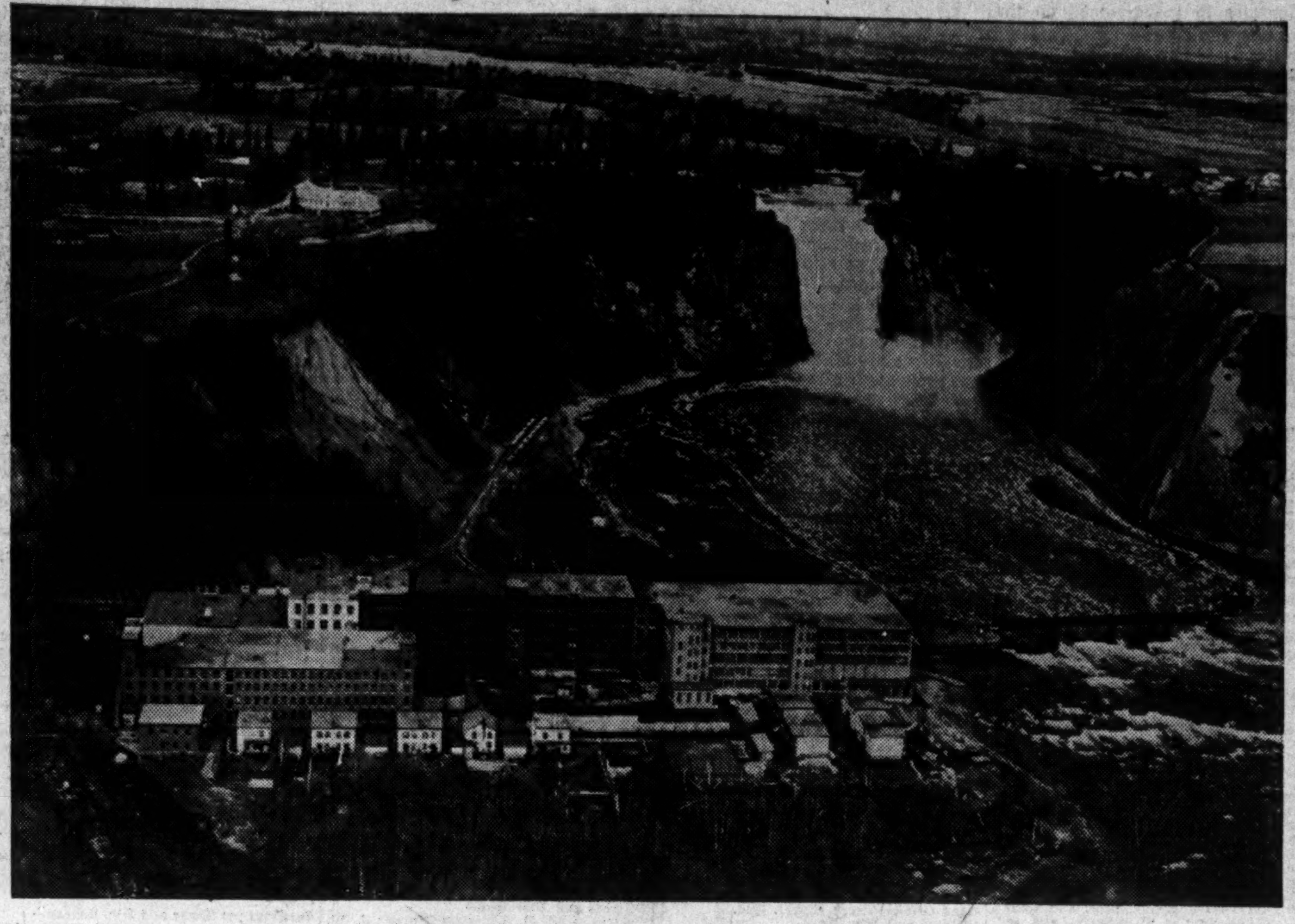
AN ERRONEOUS IMPRESSION

Another factor has contributed to the false impression existing in certain quarters as to the size of the return which has accrued to members of the syndicate on their original investment. This is the assumption that the original shareholders still hold the stock. One has only to study a summary of the distribution of the stock to realize how far from the truth that assumption is. The total of the common and preferred issues, amounting to 289,406 shares, is held by 2,811 shareholders, making the average number of shares per shareholder 103. Incidentally, 92.8 per cent of total shares is held by shareholders resident in Canada.

SHARES ARE DISTRIBUTED

Further analysis of the list of common stockholders of the company, of record April, 1925, shows that 76.3 per cent of the outstanding stock is held by shareholders who individually own less than 2 per cent of the total issue. It is quite plain that much the greater part of the holdings of the original shareholders have changed hands over a period of many years.

It follows that, to a large extent, the benefits consequent upon the improvement in the company's financial condition have accrued to the numerous small investors who have bought the company's shares over the past thirty years.



Dominion Textile Company's operations dominate the cotton textile industry in Quebec and collectively are larger than any other textile company in the Dominion. The many plants owned and operated at different points in the province, provide a wide range of fancy and staple lines of cotton goods. The above view shows the important unit operated by the company at Montmorency Falls, near Quebec City. Other plants are operated at Montreal, Magog, Sherbrooke and Drummondville, employing a total of close on 7,000 workers.

Efficient Distribution

ONE of the present day tests of efficiency as applied to a modern corporation dealing with the public is whether or not its cost of selling and administration impose an unnecessarily heavy burden on the consumer. The record of Dominion Textile Co. speaks for itself. In thirty years, aggregate selling and administration costs have amounted to $10,645,629, while at the same time, the company has sold $460,945,608 worth of cotton goods, indicating a ratio of only 2.3 per cent.

The companies that can show a figure of 2.3 per cent are few and far between. Not only is this figure indicative of the efficient manner in which Dominion Textile Co. has been able to serve the consuming public, but is all the more remarkable in the case of a company manufacturing a cheap commodity where both the intrinsic value of the raw material and the selling price of the finished product are low, and where the goods must be sold and distributed across the Dominion.

A ratio of 10 per cent between selling and administration costs and sales would have meant in the case of Dominion Textile a total expenditure on this account of $46,100,000 over the company's lifetime. Nor would this figure have been considered extravagant, as many industries record a figure far above that level. The saving, therefore, between the amount actually expended—$10,645,629—and the amount that might have been expended at the hypothetical ratio of 10 per cent—$46,100,000—is $35,454,371, or nearly $12,000,000 more than has been distributed by the company in dividends on all its capital stock from 1905 up to the present day.

Had it not been for the efficient and low cost selling and administration charges there would have been no return on capital, while a further $11,600,000 would not have been available for wages and other purposes, including the creation of reserves to carry the company through lean years.

SHAREHOLDERS OF RECORD APRIL, 1934

	Number of Shareholders	Number of Shares	Average No. of Shares	% of Total Shares
Shareholders in Canada	2,553	268,561	105	92.8
Shareholders in British Empire	123	12,920	105	4.5
Shareholders in United States..	106	7,345	69	2.5
Shareholders in Other Countries	29	580	20	.2
	2,811	289,406	103	100.

EARNINGS, DIVIDENDS and REINVESTED PROFITS

(DOMINION TEXTILE COMPANY, 1905)

Year Ended 31st March	Net Earnings Available for Dividends	Preferred Dividend 7%	Common Dividend Amount	Common Dividend Rate		Total Dividends	Reinvested Profits	Net Worth	% Earnings to Net Worth	% Dividends to Net Worth	% Reinvested to Net Worth
1906	$279,562.60	$161,967.75				$161,967.75	$117,594.85	$7,044,866.52	3.97	2.30	1.67
1907	416,334.01	130,334.81				130,334.81	285,999.20	7,344,557.38	5.67	1.77	3.89
1908	424,467.86	130,067.00	250,000.00	5%	50,000 shs. par $100	380,067.00	44,400.86	7,378,958.24	5.75	5.15	.60
1909	389,247.12	130,068.75	250,000.00	5%	do.	380,068.75	9,178.37	7,388,161.61	5.27	5.14	.12
1910	415,869.33	130,137.00	250,000.00	5%	do.	380,137.00	35,732.33	7,424,810.59	5.60	5.12	.48
1911	417,242.70	130,137.00	250,000.00	5%	do.	380,137.00	37,105.70	7,389,041.29	5.65	5.14	.50
1912	480,709.34	130,484.97	250,000.00	5%	do.	380,484.97	100,224.37	7,494,608.99	6.41	5.08	1.34
1913	556,119.01	131,395.75	275,000.00	5½%	do.	406,395.75	149,723.26	7,690,958.92	7.23	5.28	1.95
1914	484,074.48	134,653.75	300,000.00	6%	do.	434,653.75	49,420.73	7,754,079.65	6.24	5.61	.64
1915	487,416.52	134,869.87	300,000.00	6%	do.	434,869.87	52,546.65	7,807,901.30	6.24	5.57	.67
1916	646,428.14	134,820.00	300,000.00	6%	do.	434,820.00	211,608.14	8,019,509.44	8.06	5.42	2.64
1917	785,963.47	135,331.00	300,000.00	6%	do.	435,331.00	350,632.47	8,384,766.91	9.37	5.19	4.18

CASE HISTORY

Much of the material used on this page regarding the financial history of Dominion Textile Company has been condensed from a survey prepared by officials of the company. For those interested in seeking further details, a copy of the "Financial History of Your Company" can be obtained by writing direct to the head office of the company in Montreal.

Sound Policies of Management enable Company to Maintain Employment at high level during past five years of Business Depression—more than 6,000 Employees receive over $5,000,000 Annually in Salaries and Wages.

Over 25% of Company's Sales Revenue Paid Out to Workers.

Contributions to State and Communities in Taxes, Employment, Wages and Social Welfare Run Into Many Millions of Dollars Each Year.

Additions to Plants, New Equipment, Transportation of Raw and Finished Goods Creates Greater Activity in Many Allied Lines of Industry.

Company Safeguards Position of Employees and Their Families in Sickness, Death and Old Age.

CONTRIBUTION of the Dominion Textile Company to the economic welfare of the Dominion is far greater than generally realized. Millions of dollars have been paid by the company to the Dominion Government in taxes. Excise taxes on raw cotton imports have helped to keep the wheels of government moving. Sales taxes have reached an impressive figure.

These are charges, of course, which are paid by other corporations, in a greater and smaller degree, but the greatest contribution of the company is seen in the effect of its operations in those communities where manufacturing is carried on.

At present plants of the company are located in five centres—Montreal, Magog, Sherbrooke, Drummondville and Montmorency. When the Dominion Textile Company was first formed the mills entering the merger had 6,000 employees. That number has remained very nearly static in the past 30 years. During boom times it rose to over 7,000 and at present is about 6,400. But 30 years ago the annual payroll for the workers amounted to only $1,600,000, while in the past year the total of wages paid was over $5,000,000. The annual earnings of the workers have accordingly more than tripled during the past three decades, partly because efficient management distributed the work more evenly over the year, reducing lay-offs, and partly because of actual and very substantial increases in pay.

LION'S SHARE TO LABOR

In the case of Dominion Textile Company, labor gets 25 cents out of every dollar realized by the sale price of the company's products. Common dividends have during the past 30 years averaged 4.8 per cent. of the net worth of the company, this profit forming the only remuneration to the shareholders not only for the use of the different mills for manufacturing, but for the unusual services of the organization in the purchase of raw materials and the sale of the finished products.

What the company's operations have meant in the way of maintaining employment and a decent standard of living in the communities of Quebec where it is represented, is better illustrated by the following brief survey.

BENEFIT TO MONTREAL

Montreal benefits very considerably through the operation of five large establishments owned by the Dominion Textile Company.

There are 2,750 employees with an annual payroll of over $2,500,000 working in the Hochelaga, Mount Royal, Merchants' and Verdun mills, and in the Colonial Bleachery, all in the Metropolitan area of Montreal. A sixth establishment, the former St. Ann's mill is now used as a warehouse and has a small staff.

The record of the depression years shows that the company has been a potent force in keeping down unemployment in the Montreal area. In 1930 the company employed 3,279 persons, with salaries and wages paid amounting to $3,134,000. As was to be expected there followed a small decline both in the number of workers and remuneration paid. In 1931 there were 2,890 employees with salaries and wages totalling $2,841,561; in 1932, there were 2,756 employed with wages and salaries of $2,686,243; in 1933, there were 2,440 employees who received $2,432,818 in salaries and wages.

MAINSTAY OF MAGOG

Statistics of actual employment in the company's Magog cotton mill and print works during the past five years are illuminating in the relation they have to the town's total population of approximately 6,300 persons. Combined employment in 1930 in the two plants amounted to 1,465 workers and in spite of rapidly declining total industrial employment in Canada during 1931 textile employment in Magog was maintained at 1,210 and increased during the succeeding years to 1,238 in 1932, 1,212 in 1933 and 1,298 in 1934.

Salaries and wages paid by the two textile mills annually during the period 1930-1934 were maintained either above or slightly below $1,000,000, irrespective of other payments. These salaries and wages have undoubtedly been the most important single factor in supporting the community during the past five years.

SHERBROOKE CHANGES

Reorganization of the Sherbrooke unit of Dominion Textile Company, since its acquisition in 1928, was responsible for a contraction of plant operations and employment from 1931 to 1933 inclusive. During these years the plant was changed from tire fabrics to the production of sheetings and other lines of cotton manufactures. Last year plant operations and employment were substantially increased to over 450 workers, and more than $300,000 was expended in factory wages.

DRUMMONDVILLE UNIT

Built and equipped during the early post-war period to produce cotton fabrics for automobile tires, the plant of Drummondville Cotton Company, which since 1928 has been controlled and operated by Dominion Textile Company, felt the repercussions of the economic depression in Canada during the years 1930-1933.

In 1930 employment in the plant numbered 720 workers and during 1931 and 1932 this figure declined to 495 and 465 respectively. The low point was reached in 1933 when employment was 350 but since then there has been a substantial upturn and employment now approximates the level of 1930. Factory wages paid during these years decreased considerably but are again on the basis of well over half a million dollars annually.

MAINTAIN MONTMORENCY

The Montmorency branch of the Dominion Textile Company employed 1,435 workers in 1930, absorbing practically all the working population of St. Gregoire de Montmorency (a village a few miles from Quebec city) and hundreds of persons from nearby points. During succeeding years this level of employment was fully maintained—in 1934, 1,587 workers were employed.

Salaries and wages paid annually by the Montmorency unit during the past five years have, like the trend of employment in the plant, been maintained at a relatively high level which has shown little variation from year to year.

PROGRESSIVE POLICIES

The company's interest in the social and economic welfare of its workers is evidenced in other directions. Last year over $73,000 was paid in pensions to retired employees, being the total amount paid out since the pension plan was first put on a regular basis in 1923 up to $565,997.

A group life insurance also is in effect, which provides insurance, amounting to an aggregate sum of $625,000 at the present time, on the lives of employees, and to which the company contributes a share of the premium. Accident and sickness insurance is also in effect in certain of the company's plants where the workers, in sufficient numbers, have signified their interest. In such cases, the company absorbs part of the cost of protecting the employee.

HEALTHY CONDITIONS

The interests of the worker are looked after in many other ways by the company. The risk of tuberculosis, which at one time was considered to be associated with spinning because of the particles floating in the air due to the processing of cotton, has now been entirely done away in the plants of of the Dominion Textile Company

Constant conditioning and washing of the air circulating through the mills not only brings about a moisture content necessary for the manufacture of cotton or cotton goods, but purifies it to such a point that a medical examination made two years ago of the entire staff of one of the Montreal mills showed the health of the employees was better than the average for Montreal.

Besides the direct employees of the company many others are favorably affected by its operations. Railways, contractors, mill supply and machinery houses benefit by the company's progressive policies.

Montreal Cottons

Sharp Increase in Sales Recorded Last Year — Betterment Continued in Early Part of Current Season

A marked improvement was recorded in the operations of Montreal Cottons Ltd., during the past year. For the first quarter of the current year the company's business continued to improve.

Sales last year amounted to $4.5 millions, an increase of $1 million over 1933. This increase is accounted for primarily by larger fiscal volume of goods moved. Despite the increased production, Sir Charles Gordon, president, said that results have been disappointing from the standpoint of profits. A large amount of business was taken on at unremunerative prices, he said, rather than have it pass out of the company. The greater proportion of goods sold contained rayon, which helped to maintain average unit values in the face of lower values for all cotton goods.

Net profits after all senior charges last year amounted to $1,138, compared with $14,237 in the previous year. This would indicate a decline, but consideration should be given to the fact that the depreciation reserve was increased from $200,000 to $322,490. On the same basis as in 1933, therefore, net profits totalled over $123,000, or about nine times that reported in the previous twelve months.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$3,000,000
Preferred	5,000,000	3,000,000

Par $100.
7 per cent cumulative. No voting power.

Funded Debt—
First mtge. 5 per cent bonds of Montreal Cottons due Nov. 1, 1943, $419,501.

Dividend Record—
Preferred—7 per cent per annum cumulative, payable quarterly, Mar., June, Sept. and Dec. 15. Paid regularly.
Common—none at present. Was 6 per cent per annum, payable quarterly, Mar., June, Sept. and Dec. 15. Paid regularly to and including Dec. 15, 1932. None since.

Head Office—Valleyfield, Que.

Officers and Directors—
Officers—Sir Charles B. Gordon, pres.; Sir Herbert S. Holt, vice-pres.; G. Blair Gordon, man. dir.; W. G. E. Aird, gen. mgr.; H. A. Wilson, sec.-treas.; C. W Gurnham, asst. sec.-treas.
Directors—Sir Charles B. Gordon, E. A. Robertson, Sir Herbert S. Holt, Hon. R. Dandurand, J. P. Black, W. C. Finley, G. Blair Gordon, Montreal.

Times Bond Interest Earned:*

	1934	1933	1932
Before deprec.	15.15	10.15	....
After deprec.	1.07	1.61	....

*After accounts receivable reserve.

Earnings per Share and Div. Record—

	1934	1933	1932
Pref.: Earned	$0.04	$0.47	nil
Paid	7.00	7.00	$7.00
Common: Earned	nil	nil	nil
Paid	nil	nil	6.00

Eight Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1927	479,300	390,000	874,065
1928	426,498	390,000	857,068
1929	199,593	390,000	635,515
1930	†130,888	390,000	449,036
1931	†118,787	390,000	383,724
1932	†14,327	300,000	230,451
1933	245,966	210,000	34,687
1934	374,322	210,000	20,910

†Loss.

Market Record—

	*1935 H	L	1934 H	L	1933 H	L
Com.	25	20	45	25	28	16
Pref.	97	73	87	67	75	50

*To July 17.

Bruck Silk

Increase in Dividend Reflects Gain in Operating Revenue

Increase in the dividend on the common stock of Bruck Silk Mills from $1 to $1.20 a share last May is taken as indicative of larger earnings during the current year.

Earning power of this company has undergone a marked increase in the last five years. In 1930, net profits on trading amounted to only $62,743, whereas in the 1934 fiscal year they totalled $330,521. Earnings on the common stock advanced from nil to $1.47 a share during this five-year period.

During the 1934 fiscal year, sales increased in volume by 258,000 yards and in value by nearly $158,000. Gross trading profits increased to $526,000 compared with $477,000 in the previous year and with $306,000 in the 1932 fiscal year.

Issue More Stock

The last financial statement issued by Bruck Silk Mills, dated October 31, 1934, reflects the additional capital raised through the issue of stock.

The additional 25,000 shares netted the company $450,000, or an average of $18 a share. This capital is being used by the company to finance its current operations and whatever capital expenditures are necessary.

Capitalization—

	Authorized	Issued
Common	125,000 shs.	125,000 shs.

No par value.

Funded Debt—
First mortgage 6 per cent bonds due 1945, $454,100.

Dividend Record—
Common—Present rate $1.20 per share per annum, payable quarterly Jan., Apr., July and Oct. 15. Payments resumed Jan. 15, 1934, when 25 cents per share paid; paid regularly since. Rate increased to 30c quarterly July 15, 1935. A bonus of 5 cents per share paid on Jan. 15 and April 15, 1935. 25c was paid each quarter from Feb. 15, 1929, to May 15, 1930, none thereafter until Jan., 1934.

Head Office—Montreal.

Officers and Directors—
Offifcers—I. I. Bruck, pres. and treas.; L. S. Lee, sec.; D. M. Delahey, asst. sec
Directors—I. I. Bruck, W. H. Miner, H. Molson, Lt.-Col. C. N. Monsarrat, D. W. Partridge, W. R. G. Holt, Montreal; Leopold S. Lee, Cowansville; W. M. Chadbourne, New York; W. R. Phillips, London, Eng.

Times Mortgage and/or Bond Interest Earned—

	1934	1933	1932
Before deprec.	10.97	9.27	4.21
After deprec.	8.18	6.80	2.00

Earnings per Share and Div. Record—

	1934	1933	1932
Common: Earn.	$1.47	$1.56	$0.28
Paid	1.00	....	....

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	246,241	......	279,418
1929	395,260	75,000	484,418
1930	62,743	75,000	375,560
1931	111,036	......	387,927
1932	135,078	......	411,970
1933	287,621	......	552,375
1934	330,521	112,500	624,108

Market Record—

	*1935 H	L	1934 H	L	1933 H	L
Com.	17½	14½	22	12½	24	3

*To July 16.

Wabasso Cotton

Earnings in 1934 Fiscal Year Recorded Substantial Gain — Volume of Sales Reflects Trend of Industry

Wabasso Cotton Co., operating at Three Rivers, reports earnings of $2.10 a share for the fiscal year ended June 30, 1934. This compares with 31 cents a share in the previous year.

Over the past six or seven years, however, the company's common stock earnings record has not been an encouraging one. The financial position of the company is sound, but there are bank loans and other matters to be cleared up before the management is likely to give consideration to a dividend.

Particulars as to the results of operations for the year ended last month are not yet available, but expectations are that their report will not show any material improvement over that for the twelve months ended June, 1934, when the gross income of $813,598 was about $225,000 greater than the previous twelve months.

Wabasso has always followed the policy of concentrating its production on staples and artificial silk weaves. Consequently it has been less affected by fluctuations in demand for fancy goods. The result has enabled the company to maintain manufacturing operations on a comparatively level keel, with earnings more stable than those experienced by other cotton textile manufacturers.

Capitalization

	Authorized	Outstanding
Capital stock	105,000 shs.	69,903 shs.

No par value.

Funded Debt—

1st mtge. 6% bonds, due 1947	$1,000,000	$748,500
Sinking fund, 7% bonds, due 1942	750,000	474,000

Dividend Record—
None at present. Dividends paid 1918-1929. $4 per annum paid regularly from 1922 to June 30, 1926; $5 in 1927; $6 in 1928; $1 in 1929; none since.

Head Office—Three Rivers, Que.

Officers and Directors—
Officers—C. R. Whitehead, pres.; J. W. Pyke, vice-pres.; W. J. Whitehead, man. dir.; H. W. Capel, sec.-treas.
Directors—C. R. Whitehead, W. J. Whitehead, Three Rivers; W. I. Gear, J. W. Pyke, Hugh Mackay, Montreal; R. N. Ball, Woodstock, Ont.; Wm. Harty, Kingston, Ont.

Times Interest Earned—
Years Ended June 30

	1934	1933	1932
Before deprec.	3.48	2.45	0.95
After deprec.	1.82	1.27	0.03

Earnings per Share and Dividend Record—

	1934	1933	1932
Earned	$2.10	$0.31	nil

None paid

Seven Years' Earnings—
Years Ended June 30

Year	Earnings $	Dividends $	Surplus $
1928	463,137	262,500	671,827
1929	155,868	52,500	492,299
1930	484,559	......	383,214
1931	520,732	......	386,862
1932	238,463	......	103,157
1933	590,127	......	124,284
1934	813,590	......	271,023

Market Record—

	*1935 H	L	1934 H	L	1933 H	L
Com.	27	17	37	18	18	4

*To July 17.

SHAWINIGAN COTTON
(Controlled by Wabasso Cotton Co.)

Capitalization—

	Authorized	Outstanding
Common	10,000 shs.	10,000 shs.

Par $1.
The parent company owns 97 per cent of the stock.

Funded Debt—
1st mtge., 6 per cent gold bonds, due 1949, outstanding $734,000.
Six per cent debentures, due 1936, authorized $200,000; none issued. To be used for collateral purposes only.

Head Office—Three Rivers, Que.

Officers and Directors—
Officers—C. R. Whitehead, pres.; J. W. Pyke, vice-pres.; W. J. Whitehead, man. dir.; H. W. Capel, sec.-treas.
Directors—J. W. Pyke, Hugh Mackay, Montreal; C. R. Whitehead, W. J. Whitehead, Three Rivers, Que.; R. N. Ball, Woodstock, Ont.

ST. MAURICE VALLEY COTTON
(Controlled by Wabasso Cotton Co.)

Capitalization—

	Authorized	Outstanding
Common*	$1,250,000	$1,250,000

Par $100.
*Entirely owned by parent company.

Funded Debt—
1st mtge., 6 per cent bonds, due 1952, outstanding $1,793,500.

Head Office—Three Rivers, Que.

Officers and Directors—
Officers—C. R. Whitehead, pres.; J. W. Pyke, vice-pres.; W. J. Whitehead, man. dir.; H. W. Capel, sec.-treas.
Directors—C. R. Whitehead, W. J. Whitehead, Three Rivers, Que.; J. W. Pyke, Hugh Mackay, Montreal; R. N. Ball, Woodstock, Ont.

Acme Glove

Sales and Profits During Past Year on Larger Basis

Acme Glove Works was able to report an improvement in both operations and earnings last year. Reflecting increased activities in the lumbering and mining districts, the company's sales in 1934 increased by 27 per cent over those for 1933. Operating profits, at the same time, advanced from $89,347 to $138,260. After providing for all senior charges, the net profit was roughly twice that reported in the previous twelve months.

One of the principal changes in the financial position of the company last year was a sharp increase in inventories. During the year, the directors thought it advisable to take advantage of the company's cash position to increase inventories in anticipation of a rising cost of both raw materials and labor.

Capitalization—

	Authorized	Outstanding
1st pref. (Par $50)	$750,000	$448,300
2nd pref. (Par $50)	300,000	300,000
Com. class A	15,000 shs.	
Com. class B	30,000 shs.	15,000 shs.

No par value.
Class A—All reserved for the conversion of the first preferred.
Class B—12,000 shares reserved for the conversion of the second preferred.

Funded Debt—None.

Dividend Record—
First Preferred—$3.25 per annum, cumulative, payable Mar., June, Sept. and Dec. 15. Initial dividend paid June 15, 1929. Payment due Mar. 15, 1931, passed. Resumed with payment of 81¼c June 15, 1934. Arrears $10.57 per share, as at Dec. 31, 1934.
Second Preferred—$3 per annum, non-cumulative, payable Mar., June, Sept. and Dec. 15. Initial dividend paid June 15, 1929, and regularly tp and including Sept. 15, 1930, since passed.
Class B Common—None paid.
Officers—J. D. Ouellette, pres. and man. dir.; A. Lepine, asst. man. dir. and sec.-treas.
Directers—J. D. Ouellette, A. Lepine, H. D. Dwyer, F. G. Donaldson, I. I. Bruck, E. Lavoie, Montreal; W. Burke, Joliette, Que.

Earnings per Share and Div. Record—

	1934	1933	1932
First pref.: Earn.	$10.68	$5.24	nil
Paid	2.43¾	nil	nil
Second pref.: Earn.	*11.11	*3.05	nil
Paid	..	nil	nil
Cl. B com.: Earn.	†3.24	†0.02	nil

None paid.
*Calculated after deduction of full year's first preferred dividend.
†Calculated after deduction of full year's first and second preferred dividends.

Market Record—

	*1935 H	L	1934 H	L
1st preferred	45	32	31½	25
Class B	7	3	4½	3

*To July 17.

MERCURY MILLS
LIMITED
Manufacturers
of
Mercury Brand
Fine Silk and Woollen
Hosiery and Underwear
for
Men, Women and Children
Canadian Manufacturers
of
Van Raalte Hosiery
Van Raalte Lingerie
Dr. Denton's Sleeping Garments
for Children
Associate Company
Maitland Spinning Mills, Listowel
HEAD OFFICE - HAMILTON, Ontario
Sales Offices in principal cities

Beet Sugar Area

The area sown to sugar beets in Canada in 1934 was 38,495 acres and the total yield was 412,672 tons. In 1933 the acreage was 43,807 and the yield 442,391 tons.

Dairy Output

The value of dairy production in Canada in 1934 is officially estimated at $182 millions. In 1933 the value was $171 millions, giving a gain for this year of 6.5 per cent.

Riverside Silk

Company's 1934 Earnings Best Since Boom Days of 1929

Riverside Silk Mills, which was incorporated under Ontario laws in 1915 to produce silk yarn used in the manufacture of ladies' underwear and hosiery, has improved earnings materially in 1932, 1933 and 1934. The latter year was the best which it has had since 1931 when the whole $2 dividend was paid on the no par value Class A stock. Only a little more than half the full dividend was paid in 1932 and 1933 but the full rate is being paid in 1934 and 1935. Nothing has been paid on the Class B no par value stock since 1930, but 75 cents a share was earned in 1934.

The company owns a plant in Galt, Ontario. It has a strong working capital position, no funded debt and no bank loan outstanding.

Capitalization—

	Authorized	Outstanding
Common A	30,000 shs.	30,000 shs.
Common B	20,000 shs.	20,000 shs.

No par value.

Funded Debt—
None.

Dividend Record—
Class A — Entitled to $2 per annum, cumulative, payable Jan., April, July and Oct. 1.
Present rate $1 per share per annum; initial quarterly payment at this rate paid July 2, 1932, and regularly since. Paid on arrears, 25c. each Apr. 2, July 3, and Oct. 1, 1934; Jan. 2, Apr. 1, and July 2, 1935.
Class B—Initial dividend of 50c. per share paid March 1, 1929, from the profits of the 1928 fiscal year, followed by a similar payment March 1, 1930 from the profits of the 1929 fiscal year. None since.

Officers and Directors—
Officers—E. M. McCormick, pres.; C. A. McCormick, vice-pres.; G. H. McCormick, sec.-treas.
Directors—C. A. McCormick, E. M. McCormick, D. W. McCormick, G. H. McCormick, Galt, Ont.; F. J. Coombs, Toronto.

Earnings per Share and Div. Record—

	1934	1933	1932
Class A: Earn.*	$2.50	$1.79	$1.13
Earned†	2.00	1.79	1.13
Paid	2.00	1.00	1.25
Class B: Earn.†	0.75	nil	nil
Paid	nil	nil	nil

*Before taking participating provisions into account.
†After taking participating provisions into account.

Six Years' Earnings—

Year	*Earnings $	Dividends $	Surplus $
1929	130,162	70,000	484,585
1930	54,079	70,000	468,664
1931	55,085	60,000	463,003
1932	33,835	37,500	458,755
1933	53,637	30,000	481,978
1934	75,044	60,000	497,022

*After depreciation and federal income taxes.

Market Record—

	*1935 H	L	1934 H	L	1933 H	L
Cl. A	30	27	27	19	19	7

*To July 17.

Biltmore Hats

Steady Earnings Right Through Depression — Sharp Improvement Reported Last Year

Biltmore Hats Ltd., which makes men's fur felt and velour hats at Guelph, Ont., and maintains sample rooms at various points throughout Canada, had a much larger volume in the year ended Nov. 30, 1934, than in 1933. Net earnings after depreciation increased from approximately $48,000 to almost $19,000 and net profit was up approximately $20,000 to $62,400.

That this improvement is continuing in the current year is indicated by the fact that there was a dividend of 50 cents per share on the common stock paid July 15. Some months previously F. R. Ramsey, president of the company, stated that future payments on the common stock would be made as early as the liquid position of the company permitted. This July dividend payment therefore is interpreted as an indication of further improvement.

In every year through the depression the company made a net profit more than sufficient to pay preferred dividends and provide for sinking fund redemption. Working capital position has improved materially in the last six years

Capitalization—

	Authorized	Outstanding
Pref., cum. red.	$300,000	$232,600
Com., n.p.v.	20,000 shs.	20,000 shs.

Par $100.

Dividend Record—
Preferred—7 per cent per annum, cumulative from Mar. 15, 1929, and payable Mar., June, Sept. and Dec. 15. Initial quarterly dividend paid June 15, 1929, and regularly since. Common—Initial dividend of 50 cents per share paid Jan. 15, 1934. $1 paid Jan. 15 and 50c July 15, 1935.
Officers—F. R. Ramsey, pres. and gen. mgr.; W. J. Tiller, vice-pres.; W. F. Franke, sec.-treas.
Directors—F. R. Ramsey, W. J. Tiller, W. F. Franke, W. Kilborn, Guelph, Ont.; A. G. A. Spence, Toronto.

Earnings per Share and Div. Record:

	1934	1933	1932
Pref.: Earn.	$26.83	$17.21	$15.87
Paid	7.00	7.00	7.00
Com.: Earn.‡	2.05	1.10	0.98
Paid	0.50	......	......

‡After provision for redemption of preferred stock.

Six Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1929	*26,740	15,750	8,236
1930	36,606	20,974	20,160
1931	40,278	20,414	35,266
1932	45,071	18,865	55,332
1933	48,180	17,517	77,633
1934	72,755	26,874	107,629

*For 10 months.

Market Record—

	*1935 H	L	1934 H	L	1933 H	L
Com.	17	13	17½	7½	9	3½
Pref.	105	97½	105	85	76	62

*To July 16.

Toronto Carpet

Old Established Company Experiences Measure of Business Recovery

The Toronto Carpet Mfg. Co. which has not been publishing its financial statement since 1931, is believed to have had an improving experience in 1934 and 1935 to date. It has not yet resumed dividends on the $832,000 of 8 per cent non-cumulative non-redeemable preferred stock of $100 par value but it is possible that the directors may discuss that situation soon.

The company manufactures Wilton, Saxony and Brussels carpets and rugs, Smyrna carpets and rugs, Axminster squares, runners, mats and Ingrain carpets and rugs.

The Toronto plant occupies seven acres and contains 500,000 square feet of floor space. It is equipped with 125 Wilton looms, 58 Axminster looms, 17 Smyrna looms, 17 Ingrain looms, 15 West looms and complete dye house equipment. It was originally incorporated in 1891 under an Ontario charter but has been under Dominion laws since 1927.

The company has six subsidiaries, one of them being in the United States.

The last statement showed a strong working capital position with less than $1 million in bank loans. Funded debt is below $700,000.

Capitalization—

	Authorized	Outstanding
Common	$1,000,000	$1,000,000
Preferred	1,000,000	832,000

Par $100.

Funded Debt—

1st mtge. 6% bonds series A due 1944	5,000,000	699,500

Officers and Directors—
Officers—F. B. Hayes, pres. and man. dir.; G. D. Perry, vice-pres.; B. B. Hayes. vice-pres. and gen. mgr.; W. B. Berner, sec.; P. D. Hayes, treas.
Directors—F. B. Hayes, G. D. Perry, B. B. Hayes, G. H. Muntz, C. W. Hayes, P. D. Hayes, R. Fennell, all of Toronto

Dividend Record—
Preferred and Common—8 per cent paid regularly each year on both classes from original incorporation in 1891 to January, 1933. None since.

Belding-Corticelli

Bonds of Subsidiary Called for Redemption Before Maturity — Sales in First Quarter Record Increase

In line with similar action carried out by cotton textile companies, Belding Corticelli Ltd., manufacturers of silk threads and allied lines, called for redemption all of the outstanding 5 per cent convertible debentures of the predecessor company, namely, Belding, Paul, Corticelli Silk Co. These bonds normally would mature on May 1, 1936, but as the amount outstanding at the end of last year was only $65,117, it was apparently decided by the management to call them all in a year ahead of time, as this would be accomplished through reserve and a saving in interest cost to the company.

While returns for the first half of the current fiscal year ended last May are not known, sales during the first quarter showed relatively substantial increase over that for the corresponding period of the previous year.

The improvement in earnings is interesting, in view of the fact that during the past year the company's products continue to be subject to severe competition both from domestic and foreign competitors. Despite this condition, however, the company was able to record a moderate improvement in gross operating income during the twelve months ending November 30, 1934.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$1,650,000	$865,300
Com. stock	850,000	749,500

Par $100.

Funded Debt—
First mortgage sinking fund 5 per cent bonds, due May 1, 1936 outstanding $65,117. To be redeemed on Nov. 1, 1935, at 105.

Dividend Record—
Preferred — 7 per cent payable Mar., June, Sept. and Dec. 15.
Common—4 per cent per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Reduced from 7 per cent to 4 per cent May 1, 1933.

Officers and Directors—
Officers—A. O. Dawson, pres.; W. P. McDougall, vice-pres.; D. F. Pollock, sec.; J. P. Kennedy, treas.
Directors—A. O. Dawson, W. A. Black, P. F. Sise, J. M. Mackie, R. C. Vaughan, W. P. McDougall, Montreal.

Times Bond Interest Earned—

	1934	1933	1932
Before deprec.	7.75	7.47	8.26
After deprec.	4.16	3.72	4.29

Earnings per Share and Div. Record—

	1934	1933	1932
Pref.: Earned	$11.37	$11.05	$12.02
Paid	7.00	7.00	7.00
Com.: Earned	5.04	4.68	5.79
Paid	4.00	4.00	7.00

Ten Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1925	345,853	98,046	358,065
1926	248,930	105,541	371,210
1927	275,341	105,541	402,071
1928	357,348	113,036	449,889
1929	392,925	113,036	510,536
1930	321,112	113,036	518,663
1931	267,342	113,036	479,541
1932	305,363	113,036	470,487
1933	276,335	90,551	475,592
1934	286,756	90,551	483,405

Market Record—

	*1935 H	L	1934 H	L	1933 H	L
Pref.	120	116	105	97	90	85½
Com.	98½	85	82	65	60	50

*To July 17.

Stetson

Well-known Firm Takes Over Wolthausen Hat

Control of the Wolthausen Hat Corp., Brockville, was acquired early this year by the John B. Stetson Co., of Philadelphia, and the name of the Canadian firm changed to the John B. Stetson Co. (Canada) Ltd.

The entry of the Stetson Co. into the Canadian field represents one of the most important developments in the hat industry for some time past. This company is one of the largest manufacturers of fur felt hats and its business is conducted in 83 countries.

It is the intention of the new interests to place a substantial amount of capital in the business for plant extensions and improvements and when this work is completed, the company will undertake the manufacture of a line of Stetson fur felt hats, as well as those previously made and sold by the Wolthausen Hat Corp.

Capitalization—
Capitalization of the new company includes a new issue of $150,000 8% cumulative preferred stock, all of which will be issued to John B. Stetson Co., Philadelphia, from time to time, for new capital, and 10,000 shares of no par value common stock. Capital stock of old company (Wolthausen Hat), comprised $200,000 7% non-cumulative preferred, and 4,000 shares of no par value common.

Funded Debt—
Wolthausen Hat, 7 per cent 1st mortgage bonds, due 1943, outstanding $101,000.

Head Office—Brockville.
Officers — G. V. MacKinnon, Philadelphia, pres.; F. D. Wolthausen, Brockville; M. L. Douglas, vice-pres.

ONTARIO SILKNIT LIMITED
590 King Street West
Toronto, Ont.
—Manufacturers of—
"May Belle" Lingerie shown in a variety of Novelties and Staple Garments.
"Dunning Line" an ultra-quality line for the exclusive trade.
Men's Rayon Undergarments and Polo Shirts — for men who appreciate superior comfort.
"Lombardi Fancy Wool Patterns" — Manufactured under exclusive rights for Canada.
Plain Wool Jersey Cloth at popular prices.
Our extensive plant equipment of modern knitting machinery, with consequent large production, enables us to supply Knitted Rayon Fabrics at exceptionally attractive prices. Goods are dyed in our own plant, under the supervision of specialists.
May Belle Lingerie
ONTARIO SILKNIT LIMITED
Largest Manufacturers of Rayon Fabrics and Garments in the British Empire.

ACME
Sound and steady growth over a period of 30 years gives Acme Glove Works Limited an outstanding place in Canadian industry. Most widely known as Canada's largest manufacturer of fine gloves and work gloves and mitts, the company, which operates its own tannery, produces a most comprehensive range of clothing specialties in leather and cloth. Specialized production, careful control of overhead and economical marketing methods have developed a nation-wide business that is continually growing.
ACME GLOVE WORKS LIMITED
Head Office: Montreal
Branch Factories and Tannery:
Joliette, St. Tite and Loretteville

Penmans

Trend of Income in Past Three Years on Upward Scale — Strong Financial Position Feature of Returns

Penmans Ltd. is one of the principal manufacturers of woollens and other types of knitted goods in the Dominion. Over a period of years the company has built up a strong financial position. At the end of last year the company's balance sheet showed current assets of $2,507,887 as against current liabilities of only $156,199.

Earnings of Penmans over the last four or five years have not been particularly satisfactory, though the trend of late has been upward. Conditions obtaining in 1930 and 1932 were unusual; however, during more normal years the company has shown a well-developed earning power.

Sales of the company's products for the past year amounted to $5.2 millions. This represents an increase of nearly $200,000 compared with 1933, or equal to 3.76 per cent.

No official word is available on the trend of current operations, but it is believed that returns compare satisfactorily with those reported in 1934. In connection with sales, it should be noted that at the end of 1934, inventories amounted to $1.5 millions, a gain of nearly $300,000 over that reported at the close of 1933.

Capitalization—

	Authorized	Outstanding
Common	75,000 shs.	64,518 shs.
Preferred	$1,500,000	$1,075,000

No par value. (Common)
Shares $100 each. (Preferred)

Funded Debt—
First mtge. bonds, 5½%, due 1951 .... $1,805,000

Dividend Record—
Preferred—6 per cent cumulative, payable Feb., May, Aug. and Nov. 1, paid regularly since 1907.
Common—$3 per share per annum, payable quarterly, Feb., May, Aug. and Nov. 15.
Rate reduced from $4 per annum with quarterly payment of 75 cents per share Feb. 15, 1932.
Officers—Sir Charles B. Gordon, chm. of board; R. B. Morrice, pres.; A. F. Baillie, vice-pres.; H. W. Lundy, gen. mgr.; C. B. Robinson, sec.-treas.
Directors—Sir Charles B. Gordon, R. B. Morrice, A. F. Baillie, J. N. Laing, H. B. MacDougall, J. P. Black, G. W. Grier, Montreal.

Times Bond Interest Earned—

	1934	1933	1932
Before deprec.	5.68	4.99	3.97
After deprec.	4.40	3.72	3.06

Earnings per Share and Dividend Record—

	1934	1933	1932
Pref.: Earned	$25.54	$25.82	$17.44
Paid	6.00	6.00	6.00
Common: Earned	3.25	3.30	1.91
Paid	3.00	3.00	3.00

Eight Years' Earnings—

Year	Earnings $	Dividend $	Surplus $
1927	720,571	344,078	1,539,831
1928	785,919	322,572	1,684,222
1929	675,729	322,572	1,774,657
1930	332,977	322,572	1,641,347
1931	313,578	322,572	1,463,809
1932	*436,614	258,054	1,393,249
1933	*549,542	258,054	1,412,706
1934	†624,357	258,054	1,429,244

*After provision for federal income tax.
†After deduction of $13,050 directors' fees and including income from investments of $7,423.

Market Record—

	*1935 H	L	1934 H	L	1933 H	L
Com.	63½	48	63½	47	47	20
Pref.	115	106½	105½	90	86	65

*To July 16.

Penmans
The Standard of Excellence for 67 Years
Built on a policy of Quality Before Price
PEN ANGLE
KNIT-GOODS

Dominion Textile

Earning Power Easier in Past Year — Imports and Taxes Are Two Greatest Obstacles to Further Progress

Sales of Dominion Textile Co. in the past 15 months have been on a somewhat lower scale. Lateness of the spring season; continued keen competition from Lancashire manufacturers, and slowing up of buying power in the domestic market, have combined to limit the volume of available textile business.

Returns for the last fiscal year—ended March 31, 1935—show both sales and earnings on a relatively satisfactory basis in comparison with those reported in the last few years. Net profit from operations totalled $847,662. This compares with $1,377,867 for the previous twelve months. Revenue from investments gained slightly at $450,459, so that there was $1,298,121 available for dividends. After taking care of the preferred dividend, earnings on the common stock were equivalent to $4.30 a share, compared with $6.25 a share in the previous fiscal period.

Changes in Balance Sheet

The balance sheet at the end of last March revealed a number of more or less important changes. For the first time assets and liabilities of the wholly-owned subsidiary, Sherbrooke Cotton Co., were absorbed, accounting in part for some of the marked changes. Net working capital was increased by roughly $400,000. Cotton acceptances declined from $2.2 millions to $931,063. Among the assets raw cotton and inventories showed a moderate decline. Investments were off about $450,000, while investment in subsidiary companies was marked down from $6.3 millions to $3.8 millions, reflecting the absorption of Sherbrooke Cottons.

Capitalization—

	Authorized	Outstanding
Common (No par value.)	350,000 shs.	270,000 shs.
Pref. 7% cum. (Par $100.)	2,000,000	$1,940,600

Funded Debt—
First mortgage 4½ per cent bonds Series A due 1955, $4,500,000. The company has guaranteed the issue of $1,600,000 5½ per cent bonds of the Drummondville Cotton Co.

Dividend Record—
Preferred—7 per cent per annum paid regularly, quarterly, Jan., Apr., July and Oct. 15.
Common—Present rate $5 per share per annum, payable quarterly as preferred; dividends have been paid on common each year since 1907; at $5 from April 1, 1925 to Jan., 1933; at $4 from April, 1933, to April, 1934; increased to $5 rate July 1934.
Head Office—Montreal.

Officers and Directors—
Officers—Sir Charles B. Gordon, pres. & chairman; Sir Herbert S. Holt, vice-pres.; G. Blair Gordon, man. dir.; L. P. Webster, sec.; R. A. Lang, treas.; W. A. Eversfield, asst. sec.-treas.
Directors—J. P. Black, Sir Charles B. Gordon, Sir Herbert Holt, W. A. Black, G. Blair Gordon, J. G. Dodd, Montreal, Que.; Sir Frederick Williams-Taylor, London, Eng.

Earnings per Share and Div. Record—
Yr. End. Mar. 31

	1935	1934	1933
Pref.: Earn.	$66.89	$93.91	$32.06
Paid	7.00	7.00	7.00
Com.: Earned	4.30	6.25	1.80
Paid	5.00	4.00	4.75

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	1,903,832	1,260,842	6,862,657
1929	1,976,668	1,316,692	7,211,415
1930	2,079,931	1,485,646	7,498,035
1931	1,807,304	1,485,842	7,515,552
1932	1,633,526	1,485,842	7,363,266
1933	918,044	1,418,342	5,567,123
1934	1,826,388	1,215,842	6,013,596

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com.	82¼	63	88	67	69⅞	39
Pref.	146½	130	140	112	113	93¼

*To July 16.

Can. Converters

Profit Made Last Year, First in Four-year Period

Canadian Converters slipped into the red, after dividends, during the year ended April 30, 1935. After four years of deficit, the company made a profit in the 1933-34 year, but was not able to maintain this position last year, due to extreme competition. Bank loans, however, were paid off and a considerable reduction in inventories was effected. No provision, however, was made for depreciation reserve.

Operations of the company are confined to the converting of textiles into shirts, collars, overalls, underwear, etc. Experience of the company in recent years has not been particularly favorable, gross earnings last year, for example, being about one-third of what they were in 1928 and 1929.

Capitalization—

	Authorized	Outstanding
Common (Par value $100.)	$3,000,000	$1,733,500

Funded Debt—
None.

Dividend Record—
Common—Present rate, $2 per annum, payable Feb., May, Aug. and Nov. 15. Rate reduced from $4 to $2 with payment of 50 cents Feb. 15, 1932.
Head Office—Montreal.
Officers—J. H. Roy, pres. and gen. mgr.; J. M. Mackie, vice-pres.; T. M. Barrington, sec.-treas.
Directors—J. N. Laing, J. H. Roy, T. J. Rodger, T. M. Barrington, R. C. McMichael, J. M. Mackie, T. R. Rennie, all of Montreal.

Earnings per Share and Div. Record—
Years Ended April 30

	1935	1934	1933
Earned	$1.63	$2.19	$0.35
Paid	2.00	2.00	2.00

Seven Years' Earnings—
Years Ended April 30

Year	Earnings $	Dividends $	Surplus $
1929	166,268	121,345	673,220
1930	104,788	121,345	639,163
1931	56,291	86,675	597,279
1932	29,660	52,004	563,434
1933	13,057	34,669	534,821
1934	60,085	34,670	538,136
1925	39,011	34,670	531,637

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com.	32	29½	45	30	35	8

*To July 16.

Greater Winnipeg Power

The power output in Greater Winnipeg increased substantially last year: 984,062,840 kw.h., as compared with 887,338,250 kw.h. in 1933.

Rubber Exports

Exports of rubber and its products from Canada last year had a total value of $12.2 millions. In the previous fiscal year it was $8.9 millions.

Dom. Woollens

Default on Deferred Bond Interest Forced Reorganization — Some Recent Improvement

Faced with a sharply curtailed demand, considerable inventory and uncertain prices, Dominion Woollens & Worsteds Limited found itself in a position unable to pay deferred bond interest due December 1, 1934. A reorganization of the company followed.

For the year ending June 30, 1934, the company had net earnings of well over $240,000 as compared with $117,000 in 1933. After providing for depreciation, bond interest and all other charges, there was a small loss of slightly over $1,000 as compared with almost $294,000 in the previous year. Since the end of that year, however, buying was reported to have fallen off very considerably and this trend it is understood continued until the time of reorganization. Since then it is understood there has been some improvement.

Capitalization—

	Authorized	Outstanding
Common (n.p.v.)	155,000 shs.	85,585 shs.
Preferred (Par $20.)	$1,270,200	$1,270,200

Funded Debt—
First mortgage, sink. fund bonds 6 per cent, due 1953, outstanding $1,058,500.
Reorganization—On March 27, 1935, following default of bond interest due Dec. 1, 1934, bondholders and shareholders approved following plan of reorganization:
Issue of $2,117,000 6% first mortgage bonds together with $254,040 deferred interest bonds replaced by new bond issue of half the amount, $1,058,500. New bonds 6 per cent dated July 1, 1934, mature July 1, 1953. During first 3 years, interest payable only from income and non-cumulative; annual cumulative sinking fund, $35,000 commencing July 1, 1940.
In addition, $1,270,000 6%, non-cumulative preferred shares, par $20, were created; to participate equally with common after preferential dividend. Bondholders to receive $50 in new bonds and 3 new preferred shares for each $100 in bonds.

Dividend Record—
Common—None paid.
Head Office—Peterborough.

Officers and Directors—
Officers—A. O. Dawson, pres.; W. K. Trower, vice-pres.; Henry Barrett, man. dir.; F. C. Cockburn, sec.-treas.
Directors — A. O. Dawson, W. K. Trower, Montreal; G. D. Perry, J. W. Hobbs, Henry Barrett, E. M. Saunders, Toronto; C. M. Heddle, Peterborough.

Times Bond Interest Earned:

	1934	1933	1932
Before deprec. and other interest	1.76	...	1.23
After deprec. and other interest	1.09	...	...

ZIMMERKNIT COMPANY LIMITED

The Zimmerknit Company, Limited, embraces three operating companies, devoted to the manufacture of Knit Goods, with Dominion wide distribution and acceptance.

HARVEY KNITTING CO., LTD. WOODSTOCK, ONT.	High quality Rayon, Wool and Cotton Underwear for Men and Women, selling under the trade mark Harvey
HOSIERS, LIMITED WOODSTOCK, ONT.	Women's and Children's Hose of the circular knit variety.
ZIMMERKNIT CO., LTD. HAMILTON, ONT.	Men's, Women's and Children's Underwear, Outerwear and Bathing Suits, selling under the trade mark of "ZIMMERKNIT."

The products of this Company are merchandised through the selling organization of the Woods Underwear Co., Ltd., Toronto.

SALES OFFICES
VANCOUVER TORONTO CALGARY OTTAWA TRURO WINNIPEG MONTREAL

Regent Knit

Moderate Decline in Sales Reported — Foreign Goods Competitive

Volume of business handled by Regent Knitting during 1934 was the largest reported by the company in several years. For the current year to date sales have been somewhat less than for the corresponding period a year ago. This is in line with the experience of other companies in the textile trades. Fall prospects, however, are favorably regarded at this time.

Regent Knit and other companies in the textile field continue to feel the competition put up by British manufacturers. The cotton textile people are faced with competition from the Lancashire operators, while the makers of outerwear have had to compete against the Scottish producers. The latter are manufacturing goods in the Canadian or American style and have been selling to the larger distributors in Canada at extremely low prices.

Last year Regent Knit reported a gross operating profit of $399,964, while the net profit after taking care of interest charges, writing off $100,000 for depreciation, and other senior expenses was $28,852. This compares with deficits ranging from $34,300 to $131,606 in the previous five years.

Capitalization—

	Authorized	Issued
Common (No par value.)	100,000 shs.	65,009 shs.
Preferred (Par value $25.)	$400,000	$400,000

Funded Debt—
First mtge. bonds, 6½ per cent, due 1942, $372,500.

Dividend Record—
Preferred—Entitled to $1.60 per share per annum, non-cumulative. None paid.
Common—None paid.
Head Office—Montreal.
Officers — C. G. de Tonnancour, pres. and man. dir.; Jean Rolland, vice-pres.; J. C. Belle Isle, sec.-treas.
Directors — C. G. de Tonnancour, J. V. Desaulniers, Gerald G. Ryan, J. Ernest Savard, Jean Rolland, H. J. Ross, Montreal; H. Holdroyd, Toronto.

Times Bond Interest Earned:†

	1934	1933	1932
Before deprec.	6.67	3.45	1.56
After deprec.	2.66	0.45	nil

†After deducting other interest and reserve for doubtful debts.

Earnings per Share—

	1934	1933	1932
Pref.: Earned	$1.80	nil	nil

No dividends have been paid.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	194,802	......	704,877
1929	*7,736	......	606,937
1930	61,653	......	412,794
1931	19,958	......	288,845
1932	110,994	......	66,925
1933	157,904	......	*33,088
1934	194,036	......	*11,007

*Loss or deficit.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Common	7	4½	6⅛	2	5⅞	½

*To July 17.

Mercury Mills

Competition and Lower Price for Wool Affect 1934 Income Results

Intense competition combined with a decline in wool prices affected detrimentally the results of Mercury Mills for 1934. The company manufactures a wide range of knitted goods. The major part of its output is wool, cashmere and silk hosiery and underwear.

Its operating profits in 1934 were sufficient to meet all capital expenditures but insufficient to meet bond interest, depreciation and inventory and contract reserves. It closed the year without bank loans and inventories were lowest in the history of the company.

Capitalization—

	Authorized	Issued
Common (No par value.)	45,000 shs.	45,000 shs.
Preferred (Par $100.)	$2,000,000	$1,000,000

Funded Debt—
First mortgage 5½ per cent bonds Series A due 1953, outstanding $1,335,000.

Dividend Record—
Preferred—Entitled to 6 per cent per annum, cumulative, payable quarterly, Feb., May, Aug. and Nov. 1. Dividend due Feb 1, 1931, passed; none since.
Common—None paid.
Officers—H. G. Smith, chm. of board; R. H. Hommel, pres.; J. J. McHardy, sec.-treas.
Directors—H. G. Smith, W. G. Evel, Hamilton; J. H. Gundy, R. H. Hommel, A. D. Cobban, Toronto; G. A. Dobbie, Galt; C. G. Cockshutt, Brantford.

Times Bond Interest Earned—

	1934
Before deprec.	0.37
After deprec.	...

Six Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	294,548	61,861	491,602
1930	*125,583	62,052	224,711
1931	*123,302	......	†282,952
1932	*39,157	......	†74,997
1933	98,469	......	†126,684
1934	31,414	......	†349,403

*Loss. †Deficit.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L
Preferred	10	8½	18	15

*To July 17.

Cosmos Imperial Mills

Company's Business in 1934-35 Equals 1930 — Redeems Bonds, Pays Preferred Arrears and Initiates Common Dividends

Cosmos Imperial Mills, manufacturers of heavier grades of cotton duck, has had in the last 18 months such improved business that it was able in 1934 to pay off all arrears on preferred stock and on May 15, 1935, to pay an initial dividend of 17½c. on 50,000 no par value shares of common stock outstanding.

In addition to that it called for redemption on May 15 at 103 and accrued interest the 6½ per cent first mortgage sinking fund bonds due 1944 outstanding to an amount of $712,500. Shareholders were asked at a special general meeting on March 5, 1935, to authorize an increase of 20,000 shares in authorized common stock as a means of providing part of the funds necessary for the proposed bond redemption. The total would now be 70,000 shares.

The company has therefore now no funded debt, no bank loans and it has a very strong working capital position.

The present company was incorporated in 1926 under Dominion laws to take over the old company of the same name which had acquired in 1924 Cosmos Cotton Co., of Yarmouth and Imperial Cotton Co., of Hamilton. These companies had respectively been formed in 1883 and 1900. In 1929, J. Spencer Turner Co. of Canada was acquired to look after sales. The plants are at Hamilton, Ontario, and Yarmouth, N.S.

Capitalization—

	Authorized	Outstanding
Common (No par value.)	50,000 shs.	50,000 shs.
Preferred (Par $100.)	$1,500,000	$1,254,500

Funded Debt—
None. Entire issue of 6½% first mortgage sinking fund bonds due 1944, called for redemption May 1, 1935 at 103 and interest.

Dividend Record—
Preferred: entitled to 7% cumulative, payable Feb., May, Aug. and Nov. 15; paid regularly from 1928 to May, 1932; rate of payment reduced to 3½% Aug. 15, 1932; full rate resumed Nov. 15, 1934; all arrears paid up during 1934. Common: initial dividend of 17½ cents paid May 15, 1935.
Head Office—Hamilton, Ont.

Officers and Directors—
Officers—S. H. Greene, chm.; W. S. Burrill, pres. and gen. mgr.; A. V. Young, vice-pres.; E. W. B. Moody, sec. and treas.
Directors—S. H. Greene, Boston, Mass.; W. S. Burrill, A. V. Young, Hamilton; J. J. McGill, Montreal; J. E. Rousmanière, New York; G. H. Allen, Yarmouth, N.S.; H. R. Tudhope, Toronto.

Earnings per Share and Dividend Record—

	1934	1933	1932
Pref.: Earned	$14.69	$7.53	$3.63
Paid	7+5.25†	3.50	5.25
Com.: Earned	*1.93	*0.14	nil

*After deducting full year's preferred dividends but not taking arrears into consideration. †Arrears incurred in 1923 and 1932.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	244,977	104,084	254,811
1929	255,466	102,898	381,579
1930	135,808	101,390	409,897
1931	94,195	98,719	317,452
1932	51,442	65,695	349,732
1933	116,026	47,390	404,369
1934	215,767	170,953	445,544

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com.	19½	14¼	12¼	7¼	10	2
Pref.	106	102½	103½	80	80	39

*To July 16.

Supersilk Hosiery

Company Increases Volume Materially During Depression at Declining Prices

Net profits of Supersilk Hosiery Mills, which manufactures 12 lines of pure silk full-fashioned hosiery, amounted to $25,520 in 1934, the smallest amount since 1928.

During this period the company experienced increasing volume but prices were dropping and on this increased volume it only made about half the profits which it made in 1931, for instance.

During 1934 additional knitting machines were installed in the factory at London, Ontario, until the plant had a daily production of 5,000 pairs of hose. Only one line was made in 1929 as compared with 12 lines now. A further addition to the plant is being made in 1935 and the directors purpose having a throwing plant and a dye house to round out their plant.

The company announces a capital reorganization shortly. Under this those holding 25,000 no par value common shares would receive 50,000 class A no par value shares, non-voting, and 25,000 class B voting no par value common shares.

Capitalization—

	Authorized	Outstanding
1st preferred (Par $100.)	$975,000	$488,100
Common (No par value.)	25,000 shs.	25,000 shs.

Supplementary letters patent, dated June 5, 1935, have been granted to the company changing the 25,000 previously authorized and issued common shares into 75,000 class A no par value common shares and 25,000 class B no par value common shares. The capital of the company is also to be increased by the creation of 50,000 additional class A shares. The unissued class A shares may be issued and allotted for a consideration not exceeding $50,000.

Funded Debt—
None.

Dividend Record—
First preferred—Entitled to 7% cumulative, payable Jan. and July 2; paid regularly to Jan. 2, 1932; reduced to $3.50 per annum with payment of $1.75 July 2, 1932; regularly at this rate since.
Common—None paid.
Head Office—London, Ont.

Officers and Directors—
Officers—W. S. Thompson, pres.; J. D. Good, vice-pres.; A. S. Thompson, gen. mgr.; J. G. Thompson, sec.; R. W. Robertson, treas.
Directors — W. S. Thompson, J. G. Thompson, J. D. Good, W. L. Baragar, W. H. McPhillips, A. S. Thompson, R. W. Robertson, T. W. McFarland, Miss M. O'Donnell, London, Ont.

Sales and Earnings

Year	Sales $	†Net Profits $
1928	345,234	*16,948
1929	463,639	35,250
1930‡	670,000	56,000
1931‡	640,000	61,000
1932‡	*	35,000
1933‡	*	36,520
1934‡	......	25,520

*For period of 19 months ended Dec. 31, 1928.
†After depreciation and provision for doubtful accounts.
‡Figures approximate. *Not published.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L
Common	3	2½	2⅝	2
Preferred	70	58¼	65	50

*To July 17.

Monarch Knitting

Preferred Dividends Resumed in 1934-35 as Profits Increase

Manufacture of heavy and fancy knitted goods, lingerie and hosiery increased so materially for the Monarch Knitting Company in 1934 that it was able to resume dividends on the preferred stock at the full 7 per cent rate. It has not only maintained those so far in 1935 but has paid something toward the heavy arrears of about $50 a share.

The company owns and operates three factories at Dunnville, St. Thomas and St. Catharines, Ontario. The largest is at Dunnville and comprises dye house, finishing plant, knitting plant and warehouse.

The company was incorporated under Ontario laws in 1912 as successor to a company of the same name established in 1903. The losses which resulted in heavy arrears of $50 a share on the preferred stock really trace back to an unsuccessful venture at Buffalo. That factory became inactive in 1925 and the assets and undertakings were sold to the Spenser Lens Company. It is understood that payments are being made on that old sale.

Capitalization—

	Authorized	Outstanding
Common	$1,275,000	$1,275,000
Pref. 7% cum.	750,000	750,000

Shares $100 each.

Funded Debt—
None.

Dividend Record—
Preferred—Entitled to 7% cumulative, payable Feb., May, Aug. and Nov. 1; paid regularly 1912 to Nov., 1924; one month's payment (7/17%) made in 1925, none thereafter to May, 1929; paid regularly to Nov., 1930; none thereafter to Feb. 20, 1934, when $3 paid; $1 paid April 2, July 3 and Oct. 1, 1934, and Jan. 2, 1935. Regular quarterly payments of $1.75 resumed April 1, 1935. As at Dec. 31, 1934, arrears totalled 50-1/8 per cent.
Common—None since 1921.

Officers and Directors—
Officers—J. A. Burns, pres.; T. A. Russell, vice-pres.; W. J. Appleyard, sec.
Directors—J. A. Burns, Dunnville, Ont.; T. A. Russell, F. J. Coombs, F. H. Deacon, G. C. Biddle, Toronto.

Earnings per Share and Dividend Record—

	1934	1933	1932
Pref.: Earned	$11.47	$9.30	$1.62
Paid	7.00	....	....
Common: Earned	*2.63	*1.35	....

None paid.
*After deduction of full year's preferred dividend but disregarding arrears.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	*123,140	......	570,274
1929	147,642	39,375	645,426
1930	†59,613	52,500	498,313
1931	32,511	......	514,196
1932	47,165	......	526,361
1933	114,860	......	594,248
1934	135,063	52,500	627,749

†Loss.
*After all charges and provisions for depreciation.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com.	5	5	8	5	3	3
Pref.	90	71½	72	45	50	20

*To July 16.

C. C. C. Convention

The tenth annual convention of the Canadian Chamber of Commerce will be held September 4-6 at Toronto.

Vancouver Airport Revenue

Revenue at the Vancouver airport for the first five months of 1935 totalled $6,076 as compared with $4,064 last year.

Canadian Cottons

Sharp Drop in Sales Due to Imports and Late Summer Likely to be Reflected in Earning Power This Year

Material decline in sales experienced by Canadian Cottons in the last half of 1934 continued throughout the first half of 1933. This experience is in line with that reported by other cotton textile companies and is attributed to three main causes. First is the increased competition from England resulting in heavier imports; secondly, the lateness of the summer this year which slowed up seasonal purchases; and, thirdly, a general slackening off in public buying power. In line with the falling off in the demand for cotton goods, the companies have experienced a decline in earning power.

During the fiscal year ended March 31, 1935, Canadian Cottons reported an operating profit of $150,287 and investment income of $190,752, making a total of $341,040. For the previous twelve months operating profits totalled $276,408, investment income $147,607 for a total of $424,015. The decline in operating profit was due to the reason mentioned above, though in the first quarter of the year business was up to the level reported for 1934 fiscal year.

Retire Bond Issue

Early this year Canadian Cottons notified holders of its 5 per cent first refunding mortgage bonds that the issue would be redeemed on July 2 at a premium of 5 per cent. The issue originally amounted to $5 millions but through the operation of the sinking fund it was reduced to less than $2 millions. At the end of last March, the balance indicated that the company held about one-quarter of the outstanding bonds.

The redemption transaction was effected by the company without the necessity of public financing. On March 31, 1935, the company had current assets of $6.2 millions as against current liabilities of less than $1.4 millions. Among the former were $3.3 millions of Dominion Government bonds.

Capitalization—

	Authorized	Outstanding
Pref. 6% non-cum.	$4,500,000	$3,661,500
Common (Par $100.)	3,500,000	2,715,500

Funded Debt—
None. Bonds due 1940, redeemed July 2, 1935.
Head Office—Montreal.

Dividend Record—
Preferred—6 per cent per annum, paid regularly quarterly Jan., Apr., July and Oct. 4, since April, 1911.
Common—Present rate 4 per cent per annum, payable quarterly Jan., Apr., July and Oct. 4. Initial payment at this rate made Jan. 4, 1934; paid regularly since. 8% paid regularly from 1921 to April 4, 1930.
Officers—A. O. Dawson, pres. and man. dir.; George Caverhill, vice-pres.; R. G. Tolmie, gen.-mgr.; H. M. Watson, sec.; K. L. Hamilton, treas.
Directors—W. A. Black, A. O. Dawson, Sir H. Montagu Allan, F. E. Meredith, G. Caverhill, W. J. Morrice, R. G. Tolmie, all of Montreal.

Times Bond Interest Earned—
Year Ended Mar. 31:

	1935	1934	1933
After deprec.	3.72	5.19	2.04

Earnings per Share and Div. Record—

Pref.: Earned	$4.15	$9.35	$2.48
Paid	6.00	6.00	6.00
Com.: Earned	...	4.52	...
Paid	4.00	2.00	...

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	384,626	436,930	2,553,925
1930	197,186	382,620	2,229,019
1931	242,874	219,690	2,114,480
1932	257,876	219,690	2,020,200
1933	177,766	219,600	1,891,246
1934	424,017	274,000	1,959,615
1935	303,471	328,310	2,065,180

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com.	66	48	72	41	49	15
Pref.	105	95	95	70	80	45

*To July 16.

Dominion Woollens & Worsteds Limited

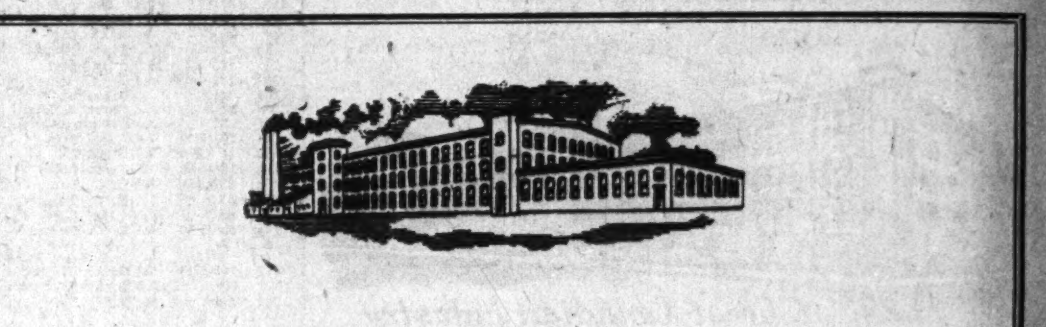
Head Office: 80 KING ST. WEST, TORONTO

Plants Located at
HESPELER PETERBOROUGH ORILLIA

Sales Offices:
TORONTO: 80 King St. West
MONTREAL: 706 Confederation Bldg.
WINNIPEG: Phoenix Block
VANCOUVER: 604 Mercantile Bldg.

FINE WORSTED & WOOLLEN SUITING & OVERCOATING also YARNS for HOSIERY, KNITTED OUTERWEAR

HAND KNITTING AND WEAVING REQUIREMENTS



Windsor Wear FOR MEN

WINDSOR WEAR For Men

EVANGELINE SILK-TEX For Women

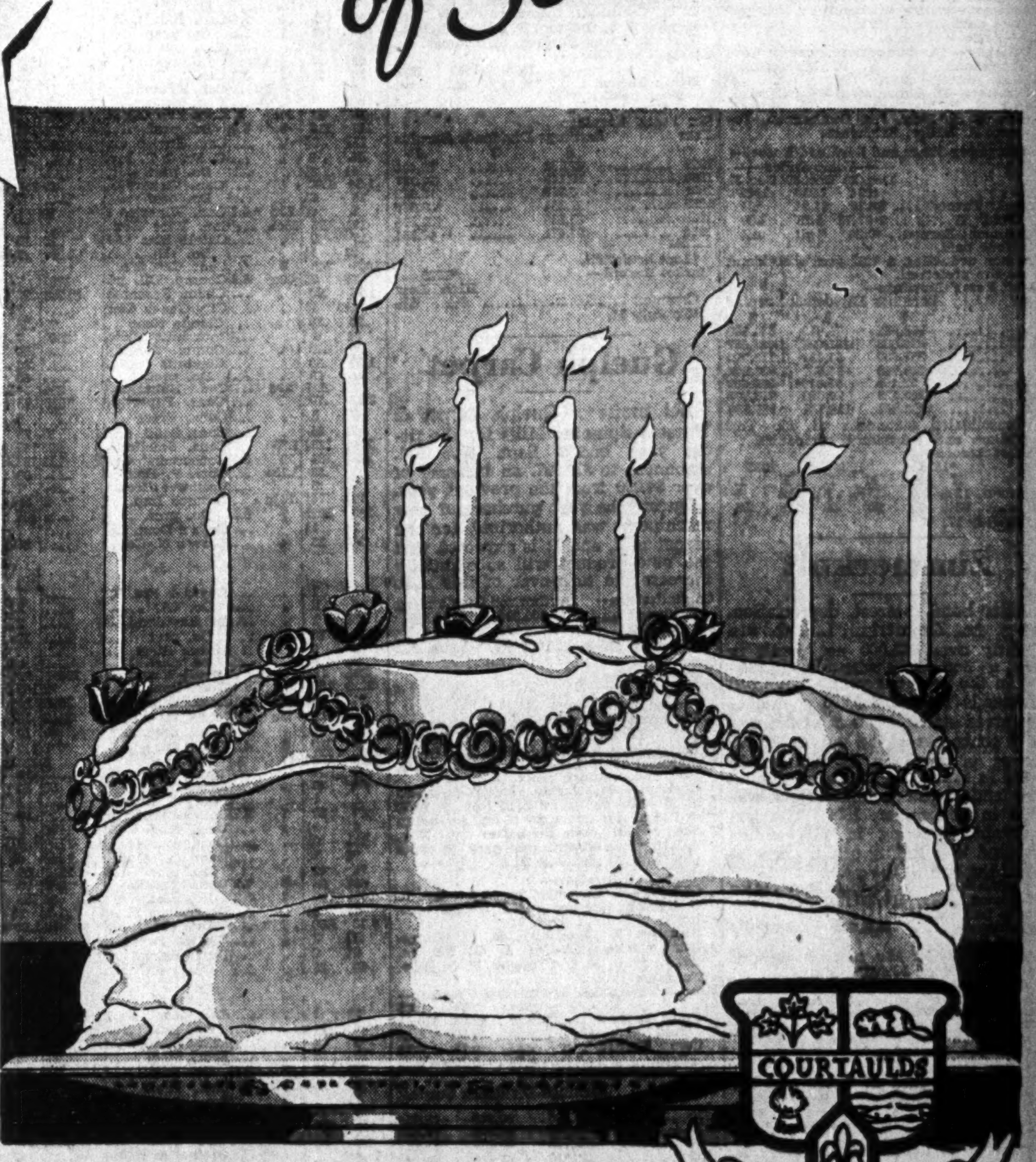
FOR WOMEN Evangeline BRAND

The Aristocrats of Under Garments

Made by
Nova Scotia Textiles Limited
WINDSOR, NOVA SCOTIA

1925 1935

Ten Years of Service



TEN years ago the founding of Courtaulds (Canada) Limited, gave to Canada its own Rayon industry.
In those ten years Rayon has risen to pre-eminence in the world of fashion, and to a commanding position among textiles.

Courtaulds growth during this period has contributed generously to Canada's industrial welfare. And, in Rayon's brilliant future Canada and Courtaulds have an equal share.

COURTAULDS RAYON

COURTAULDS (CANADA) LIMITED

Head Office and Plant—Cornwall, Ontario. Sales Offices—159 Bay Street, Toronto.
Trade Service Offices—University Tower, Montreal.

An Outstanding Canadian Industry

For more than a quarter century, The Wabasso Cotton Company Limited has developed until it is today one of Canada's outstanding textile organizations.

The great modern factory houses the newest mechanical equipment for the production of fine cottons and associated lines and employs over 2,400 skilled workers.

Wabasso has steadfastly held to the policy of quality first; with the gratifying result that the name Wabasso is a household word throughout Canada and stands for the finest cottons that can be made.

Manufacturers of

Sheets, Slips — Sheetings, Pillow Cottons — Printed Cottons, Broadcloths

The Wabasso Cotton Co., Ltd.

THREE RIVERS, QUE.

A Great Canadian Industry

Tip Top Tailors

Substantial Improvement in Last Two Years — Sales Volume Up

A very substantial improvement was reported by Tip Top Tailors Ltd. for the fiscal year which ended December 29, 1934. It is understood that this improvement is continuing. After paying off all arrears of the preferred stock the company's net profit was up $35,000 and working capital position improved by $200,000 in 1934.

Tip Top Tailors sells its made-to-measure men's suits at a fixed price through 52 stores and more than 3,300 agencies all over Canada.

Sales in the current year are expected to exceed those of 1934.

Capitalization—

	Authorized	Outstanding
Common (No par value)	147,500 shs.	120,000 shs.
Preferred 7% (Par $100)	$1,500,000	$1,334,100

Funded Debt— None.

Dividend Record— Preferred—7% per annum, payable quarterly 1st Jan., Apr., July and Oct. Initial dividend paid July 1, 1928, and regularly to and including Jan. 1, 1933. Payment due Apr. 1, 1933, passed. Payments resumed July 1, 1933, and paid regularly since. On Jan. 1, 1935, the quarterly dividend in arrears was paid off. Common—Initial dividend of 25c. per share paid July 2, 1935.

Head Office—Toronto.

Officers — D. Dunkelman, pres.; Rose Dunkelman, sec.; H. P. Mackechnie, treas. and gen. mgr.

Directors—D. Dunkelman, Rose Dunkelman, H. P. Mackechnie, J. B. Dunkelman, R. A. Daly, Jos. Dunkelman, Toronto; A. Miller, Kitchener.

Earnings per Share and Dividend Record—

—Years Ended—	Dec. 29 1934	Dec. 30 1933	Dec. 31 1932
Pref.: Earned	$8.76	$6.24	nil
Paid	7+1.75	5.25	7.00
Common: Earned	*0.20	*nil	nil
None paid.			

*After deducting a full year's dividend on the preferred.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	718,981	76,650	534,560
1929	692,983	101,097	1,025,557
1930	337,480	96,481	1,115,572
1931	229,748	94,637	1,082,242
1932	33,268	93,510	905,652
1933	†220,423	70,040	918,803
1934	†258,297	116,734	985,360

†Consolidated statement of Tip Top Tailors and subsidiary companies.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Common	12⅝	7	13½	6½	12	1
Pref.	98½	90	90	63	78	35

*To July 17.

Zimmerknit

After bond interest, depreciation, taxes, etc., Zimmerknit Ltd. showed slightly over $21,000 net profit in 1934, as compared with almost $36,000 in the previous year. After full dividends on the 250,000 shares of preferred stock, this was at the rate of 4 cents per share on the 80,545 shares of common as against 28 cents in 1933. The first semi-annual dividend on the preferred stock was paid in September, 1934. The less favorable showing in 1934 is attributed to a falling off in sales toward the end of the year.

Capitalization

	Authorized	Outstanding
Common (No par value)	100,000 shs.	*80,545 shs.
Preferred (Par $100)	$250,000	$250,000

*A majority of the common stock is owned by York Knitting Mills.

Funded Debt— 1st mtge. and coll. trust 6 per cent bonds, due 1951, outstanding $250,000. 2nd mtge. and coll. trust 6 per cent bonds, due 1961, outstanding $500,000.

Head Office—Hamilton.

Dividend Record— Preferred—Entitled to 7 per cent per annum, cumulative from Feb. 1, 1934. Initial semi-annual payment of $3.50 Sept. 1, 1934; $3.50 paid Mar. 1, 1935. Common—None paid.

Officers— J. Douglas Woods, pres.; K. W. Harvey, vice-pres.; E. D. MacPhee, sec.-treas.

Directors—J. Douglas Woods, R. A. Daly, E. D. MacPhee, Toronto; K. W. Harvey, Woodstock; St. Clair Balfour, F. J. Maw and A. V. Young, Hamilton.

Times Bond Interest Earned—

	1934	1933	1932
1st mortgage:			
Before deprec.	5.48	9.90	3.48
After deprec.	4.75	6.02	....
2nd mortgage:			
Before deprec.	2.24	4.45	1.24
After deprec.	1.87	2.51	....

Earnings per Share and Div. Record—

	1934	1933	1932
Pref.: Earned	$8.44	$14.30	$2.30
Paid	3.50	....	....
Common: Earned†	0.04	0.28	....
None paid.			

†After deducting full year's preferred dividend requirements.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Common	5½	4	6⅛	4	1½	1½
Pref.	85	65	77	50	..	...

*To July 17.

Harding Carpets

Earnings Substantially Higher — Capitalization Increased

Earnings of $97,471 or almost three times the $35,835 earned in 1933 were reported by Harding Carpets Ltd. for the year ended October 31, 1934. During the same period the working capital of the company was practically doubled and the bank loan reduced substantially. This improvement was carried forward into the 1935 fiscal period, sales for the six months ended April 30 being 28 per cent higher than in the same period of 1934. Earnings for this period were equivalent to 14½ cents a share on the 170,000 shares of common stock outstanding as compared with 25.6 cents a share for the full year ended last October.

Capitalization—

	Authorized	Outstanding
Common (No par value)	300,000 shs.	*170,000 shs.

*Issued as a result of 1934 capital reorganization.

Funded Debt— None.

Dividend Record— Common—None paid to date.

Officers and Directors—

Officers—A. E. Cuthbertson, pres. and gen. mgr.; E. A. Mott, vice-pres.; A. R. Wynn, sec.-treas.

Directors—A. E. Cuthbertson, E. A. Mott, C. G. Cockshutt, Brantford; S. W. McKeown, J. S. Dickson, H. J. McLaughlin, Toronto; Frank Harding, St. Thomas.

Earnings per Share—

	1934	1933	1932
Com.: Earned	*$0.26	nil	nil
None paid.			

*New.

Six Years' Earnings

Year	Earnings $	Dividends $	Surplus $
1929	47,152	......	
1930	19,145	......	10,498
1931	†5,310	......	13,137
1932	†22,864	......	†3,672
1933	35,835	......	†38,862
1934	97,471	......	†38,595
			43,554

†Loss or deficit.

Market Record—

	*1935 High	*1935 Low
Common	3½	2½

*To July 17.

Guelph Carpet

Net profit of Guelph Carpet & Worsted Spinning Mills for the fiscal year ended Sept. 30, 1934, amounted to $77,087, an increase of over $4,000 from the previous year.

During the year purchase of new machinery was authorized for the carpet mill, and it is expected that the new product will substantially increase the turn-over of this mill.

Capitalization—

	Authorized	Outstanding
Preferred (Par $100)	$2,500,000	$734,200
Common (N.p.v.)	125,000 shs.	35,000 shs.

Funded Debt— None.

Dividend Record— Preferred—6½ per cent per annum, cumulative from May 1, 1929, and payable Feb., May, Aug. and Nov. 1. Initial dividend of 1⅝ per cent paid August 1, 1929, and regularly since. Common—No set rate. Initial payment of 25 cents per share paid Nov. 1, 1929, and regularly quarterly to and including Nov. 1, 1931; none thereafter until Nov. 1, 1932, when 50 cents was paid. 75 cents paid Nov. 1, 1933 and 1934.

Officers and Directors—

Officers—H. Quarmby, pres.; Lt.-Col. E. G Hanson, vice-pres.; B. F. Griggs, sec.-treas.

Directors—H. Quarmby, B. F. Griggs, Guelph, Ont.; Lt.-Col. E. G. Hanson, Montreal; B. A. C. Caldwell, R. O. Daly, Toronto.

Earnings per Share and Dividend Record—

	1934	1933	1932
Pref.: Earned	$10.55	$9.95	$10.61
Paid	6.50	6.50	6.50
Com.: Earned	0.85	0.72	0.78
Paid	0.75	0.50	0.25

Five Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	152,576	99,846	39,015
1931	166,103	96,065	40,632
1932	152,118	60,409	59,183
1933	138,312	65,410	66,842
1934	140,499	73,975	70,325

Pattinson & Co.

Geo. Pattinson & Co., Preston, Ontario, employs 275 workers in modern mills devoted to making men's overcoatings, Tweed suitings, topcoatings, Mackinaws and ladies' cloakings, blanket cloths, polos and tweeds.

The company was established in 1870 and has kept its equipment thoroughly up to date. It employs 80 broad looms, 5,400 spindles, 4 pickers. It makes a specialty of dyeing and finishing.

The president is F. H. Pattinson and the secretary C. J. Whitney.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JULY 22

Range 1935 High	Range 1935 Low	Divd. Rate Y'ld in $ in % July 20		Sales	Close July 15 (or July 22 last)	Week Ending High	Week Ending Low	Week Ending Close
[illegible]								

Montreal, Toronto and Curb Markets (Cont'd)

[illegible]						

‡ Quotations for 1934. § Quotations for 1933. ¶ Quotations for 1931. a Stock dividend. b New York Quotations. c On account of arrears. No sales recorded in 1935 to date.

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page, and the mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations give a little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Active Corporation Bonds

(Furnished by Toronto Bond Traders' Association)

July 23, 1935

Public Utility Issues:	Int. Rate	Due	Bid July 23	Asked July 23	Bid July 16
‡Avalon Telephone	5½%	1948	99½	103	99
Beauharnois L. H. & Pwr.	5½%	1973	94	97	92½
Beauharnois Power Corp.	5%	1973	37	39½	37
*Bell Telephone	5%	1955	112½	115	112½
*Bell Telephone	5%	1957	116	119	116
†B. C. Power	5%	1960	98	101	97
†B. C. Power	5½%	1960	101½	104	100½
†B. C. Telephone	5%	1960	105½	108	105½
†Calgary Power	5%	1960	100	102½	99
Calgary Power	5%	1964	97½	100½	97
†Canada Northern Power	5%	1953	101	103½	101
†Cedars Rapids Mfg. & Pwr.	5%	1953	111	113½	111
Dominion Gas & Electric	6½%	1945	80	83	76½
§Duke-Price Power	6%	1966	104½	106½	105
*Gatineau Power	5%	1956	87	90	87½
*Gatineau Power	6%A	1941	74	77	72½
*Gatineau Power	6%B	1941	73	76	72
*Internat'l. Hydro-Electric	6%	1944	42½	45½	40½
†Maclaren-Quebec Power	5½%	1961	72½	75	69
Maclaren-Quebec Power	5½%	1964	71½	74	68
*Manitoba Power	5½%	1951	50	53	50½
†Montreal Island Power	5½%	1957	103½	106	103
†Montreal L. H. & Pwr.	5%	1951	106	108	106
†Montreal L. H. & Pwr.	5%	1970	107	108½	107
†Montreal Public Service	5%	1942	105½	...	105½
†Montreal Tramways	5%	1955	83	86	80½
†Montreal Tramways	4½%	1955	80	83	76
†Montreal Tramways	5%	1941	100	103	100
National Light & Power	6%	1949	92	95	90½
*N. S. Light & Power	5%	1958	101½	104½	101½
†Ottawa Lt., Heat & Pwr.	5%	1957	104	106½	104
†Ottawa Valley Power	5½%	1970	92½	95	92
†Power Corp.	4½%	1959	84	87	83
†Provincial Light & Pwr.	5%	1946	105½	...	105
*Quebec Power	5%	1968	104	106½	104
†Shawinigan Water & Pwr.	4½%	1970	98	101	98
†Shawinigan Water & Pwr.	5%	1970	104½	107	104½
†Southern Canada Power	5%	1955	104	107	103½
†United Securities	5½%	1952	82	85	79
†West Kootenay Power	5%	1956	105½	107½	105
†Western Power Co.	5%	1949	104½	107	104½
*Winnipeg Electric	5%	1935	98	101	98
*Winnipeg Electric	6%	1954	50½	53½	50½
Industrial and Realty Issues:					
Abitibi Pwr. & Paper	5%	1953	28	31	27
†Acadia Sugar	6%	1946	103	105½	103
†Alberta Pacific Grain	6%	1946	89½	...	86½
‡Asbestos Corp.	5%	1942	73	76	71½
Brandram-Henderson	6%	1936	98	...	98
British American Oil	5%	1945	105½	...	105½
British American Oil	4%	1945	99½	...	99½
Burns & Co.	5%	1958	99	101½	99
Canada Bread	6%	1941	49	...	46
†Canada Cement	5½%	1947	104	106½	104
†Canada Paper	6%	1945	103	106	103
‡Canada Steamship	5%	1943	100	...	100
Canada Steamship	6%	1941	99	...	99
†Canadian Canners	6%	1950	42½	45	42½
Canadian Cons. Felt	6%	1940	105	107	105
†Canadian Copper Refiners	6%	1945	100	...	100
Can. Goodrich	7%	1943	105½	...	105½
*Canadian Internat'l. Paper	6%	1949	65	68	65
C. P. R.	6%	1942	108½	110½	108
C. P. R.	4½%	1944	97½	100½	97
*C. P. R.	5%	1954	106	108½	105½
C. P. R.	4%	1949	95½	98	95
▲C. P. R. Perp. Debs.	4%	....	87½	89½	87
Can. Rail & H. Term.	6½%	1951	...	...	28
†Canadian Vickers	6%	1947	74	77	72
Consolidated Paper	5½%	1961	13½	16½	13½
Debenture & Security	4%	1936	90	...	90
†Dominion Canners	6%	1940	109½	...	109
†Dominion Tar	6%	1949	98½	101	98
Dom. Wool. & W. (with stock)	6%	1948	14	17	14
†Eastern Dairies	6%	1949	86½	89½	85½
Eaton T. Realty	5%	1949	101	104	101
†Famous Players	6%	1948	102	104	102
†Famous Players	6½%	1948	95½	98½	93
†Federal Grain	6%	1949	91	94	91
Fraser (unstamped)	6%	1950	49½	...	...
Fraser (stamped)	6%	1950	43	...	...
†General Steel Wares	6%	1952	93	96	91½
Great Lakes Paper	6%	1950	37½	40½	36
†Gypsum, Lime & Alabast.	5½%	1948	86	89	84
Hamilton Cottons	5½%	1948	101	104	101
*Hamilton By-Prod. Coke	7%	1943	102½	105	102½
*Hinde & Dauch	5½%	1948	102½	104½	101½
†Internat'l. P. & P., Nfld.	5%	1968	100	103	99½
Kingston Elevator Co.	6%	1950	82	85	83
Lake St. John Pwr. & Pap.	6½%	1947	58½	61½	55½
London Can. Invest.	4½%	1948	78	81	77½
London Realty	6%	1950	88	91	88
Massey-Harris	5%	1947	85	88	80
McColl-Frontenac	6%	1949	104½	107	104½
Metropolitan Building	7%	1944	101	...	101
Minn. & Ont. Paper	6%	1945	14	17	14½
Montreal Coke	5½%	1947	103½	106½	103½
Montreal Cottons	5%	1947	99½	...	99½
National Grocers	6%	1948	105	107½	105
Northern Ont. Bldg.	6½%	1939	95½	98½	95½
Penmans	5½%	1951	109½	...	109½
Provincial Paper	5½%	1947	101½	104½	100½
Queen's Hotel	6%	1947	82	84	81½
Reliance Grain	6%	1948	99	102	98½
Richmond Bay Bldg.	6½%	1947	93½	96½	93½
Riordon Pulp & Paper	6%	1942	104	...	104
Rolland Paper	5½%	1948	102½	...	102½
Ruddy & Co., E. L.	6½%	1948	88	91	87½
St. Lawrence Flour	6%	1941	103	...	103
Simpsons Ltd.	6%	1949	103	105	102½
Smith, Howard	5½%	1953	103½	106	103
Steel Co. of Canada	6%	1940	111	113½	111
Toronto Carpet	6%	1944	102	...	102
United Amusement	6%	1942	97½	...	96
United Grain Growers	5%	1948	91½	...	91
United Grain Growers	5½%	1949	96	99	94
‡Wabasso Cotton	6%	1947	102	...	102
Wabasso Cotton	7%	1942	104½	...	104½
Woods Mfg.	6%	1943	101	...	100½
Zimmerknit Mfg. Co.	6%	1951	98	101	98

§Payable in U. S. only. ‡Payable in Canada or U. K. ▲Payable in N. Y. *Payable in Can. or U. S. †Payable in Can., U. S., or U. K. ■Called Aug. 15.

Unlisted Mining Stocks

July 23, 1935

	Bid	Asked
Ascot	.27	.29
Arntfield Gold	.77	.80
Arntfield Synd.	.97	1.02
Adanac	.07	.09
Ardeen	.04½	.07
Athona (Gt. B. Lake)	.74	.77
Athabaska Portals	.20	.22
Bailor	.01	.02
Bidgood Kirk.	.03½	.04½
Bankfield Gold	.58	.60
Bathurst	.01½	.02½
Bosquet Gold	.09	.11
Can. Pandora	.05	..
Can. Radium	..	.32
Casey Summit	.04	.06
Canusa Mining	.05	.07
Casey Contact	.07½	.08½
Central Porc.	.20	.22
Cons. Chib. Free	.68	.78
Cons. Chib. Pool	.56	.62
Columario	.01	.01½
Chromium M. & S.	.44	.48
Cuniptua	.06	.07½
Dorval Siscoe	..	4.00
Dunlop Cons.	.00½	.01½
El Bonanza	..	.16
Forty-Four Gold	..	8.00
Glenora Gold	..	.08½
Galatea	..	.05
Goldside	..	.07
Gold Eagle	.30	.34
Greenlaw	.06	.08
Hardrock Un.	..	48.00
Hardrock	.45	.48
Hislop Gold	.06	.08
Horseshoe	.01½	.02
Hudson Patricia	..	.12
Jellicoe	.04½	.05½
Johnson Nip.	.01	.02
Kowkash	.08	.10
Kirk. Gold Belt	.07	.09
Laguna	■.	.45
Lafayette L. Lac.	.06½	.07½
La Palme	.19	.21
Long Lac Lagoon	.06	.07
Lamaque Gold	2.20	2.30
MacFarlane	..	.02
MacL. Cockshutt.	.05	.06
Magnet Lake	.07	.08½
Matachewan Can.	.10	..
McCarthy Webb	.07½	.08½
Morrison Mines	..	.20
Mosher	.02	.03
Marbuan	.45	..
N.A.M.E. Un.	15.00	..
North Shores	.03½	.04½
Oklend	..	.28
O'Leary	.08	.09
Pamour Porc.	1.95	2.05
Rice Lake	.02	.03
Sakoose	..	.04
Shawkey	.39	.42
Silverado Gow.	.35	.37
Smelter Gold	.08	.09
Smith Cobalt	.17	.18
Straw L. Beach	.13	.15
Sturgeon R. Gold	.70	.74
Sun Bear	.18	.20
Thom.-Cadillac	.02½	.03½
Wells L. Lac	.09	.11
Wingold	.06	.07½
Wendigo	.14	.16
Young David	.15	.17

Source of quotations on application. Not guaranteed.

Listed Bond Quotations

Week Ending July 22, 1935

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1935 High	Range 1935 Low
Mtl. L. H. & P. Debs.	3	1939	3.23	48½	49	48½	49½	46
Conv. Loan			3.48	108½	108½	...	109½	106

Dominion and Provincial Bonds

July 24, 1935

(Furnished by Toronto Bond Traders' Association)

Dominion of Canada Bonds

			Bid July 24	Asked July 24	Approx. Yield	Bid July 17
Dominion	3½	15 Oct. 1935	100.30	100.60	.82	100.40
Dominion	4	15 Oct. 1935	100.40	100.70	.88	100.50
Dominion	2	15 Oct. 1936	100.25	100.65	1.46	100.25
Dominion	5	15 Nov. 1936	104.15	104.45	1.55	100.15
‡†Dominion	5	1 Mar. 1937	106.20	106.60	.85	106.20
‡Dominion	5½	1 Dec. 1937	109.55	109.90	1.21	109.45
Dominion	2½	15 Oct. 1938	101.25	101.75	2.06	101.25
Dominion	4	15 Oct. 1939	107.35	107.85	2.05	107.35
Dominion	4½	1 Sept. 1940	110.15	110.65	2.28	110.00
Dominion	5	15 Nov. 1941	112.10	112.60	2.82	112.15
Dominion	3	15 Oct. 1942	103.00	103.50	2.47	102.75
Dominion	2½	1 June 1943	99.75	100.25	2.46	99.50
Dominion	5	15 Oct. 1943	113.20	113.70	3.10	113.35
Dominion	4½	15 Oct. 1944	110.25	110.75	3.15	110.15
Dominion	4	15 Oct. '43-48	106.25	106.75	3.06▲	106.15
Dominion	4½	1 Feb. 1946	110.25	110.75	3.31	110.25
Dominion	3½	15 Oct. '44-49	102.25	102.75	3.15▲	102.40
Dominion	4	15 Oct. '47-52	106.15	106.65	3.32▲	106.15
Dominion	3	1 June '50-55	99.25	99.75	3.02	98.85
Dominion	4½	1 Nov. '46-56	108.85	109.35	3.48▲	108.65
Dominion	4½	1 Nov. '47-57	108.85	109.35	3.55▲	108.65
Dominion	4½	1 Nov. '48-58	109.15	109.65	3.58▲	109.00
Dominion	4½	1 Nov. '49-59	109.25	109.75	3.60▲	109.15
Dominion Guaranteed Bonds						
*G. T. P. Rly.	3	1 Jan. 1962	99.25	99.75	3.01	98.75
Can. N. Ry.	3	1 May 1944	100.50	101.25	2.84	100.15
Can. N. Ry.	3	15 Dec. '45-50	99.50	100.25	2.97▲	99.00
*Can. N. Ry.	4½	1 Sept. 1951	111.65	112.15	3.52	111.50
†Can. N. Ry.	4½	15 Sept. 1954	102.65	103.15	4.26●	102.65
*Can. N. Ry.	4½	1 Feb. 1956	112.25	112.75	3.63	112.15
†Can. N. Ry.	4½	1 July 1957	110.50	111.00	3.76	110.35
*Can. N. Ry.	4¾	15 June 1955	114.50	115.00	3.68	114.50
Can. N. Ry.	5	1 Feb. 1954	114.65	115.15	3.87	114.85
*Can. N. Ry.	5	1 July 1969	114.50	115.00	3.52▲	114.50
*Can. N. Ry.	5	1 Oct. 1969	117.00	117.50	3.69▲	117.00
*M. Harb. C.	5	1 Nov. 1969	117.00	117.75	3.67▲	117.00
Provincial Government Bonds						
Eastern—						
†N. Bruns.	4½	15 Apr. 1961	108.50	109.50	3.91	107.75
†N. Bruns.	5	15 Jan. 1960	114.00	115.00	4.03	114.25
N. Bruns.	5½	15 May 1950	113.75	114.75	4.17	114.00
N. Scotia	4½	15 May 1943	107.00	108.00	3.34	107.00
†N. Scotia	4½	15 Sept. '47-52	108.75	109.50	3.53▲	108.50
N. Scotia	4½	15 May 1961	110.00	111.00	3.83	109.25
†N. Scotia	5	1 Mar. 1960	115.50	116.50	3.96	115.50
*Ontario	4	1 June 1962	105.00	105.75	3.66	104.75
*Ontario	4½	1 Sept. 1944	110.75	114.50	3.04	110.00
Ontario	4½	1 June 1950	108.25	108.75	3.73	108.00
*Ontario	4½	15 Jan. 1962	109.00	110.00	3.89	108.75
Ontario	5	15 Oct. 1948	111.25	112.00	3.83	111.25
*Ontario	5	2 Dec. 1960	116.00	116.75	3.95	116.25
*Ontario	5½	1 July 1946	114.50	115.25	3.78	114.00
O. H. C.	3½-4-5	1 Oct. '33-52	100.25	101.00	2.07▲	99.75
*Ont. Hyd. C.	4	1 Aug. 1957	103.75	104.50	3.70	103.75
Ont. Hyd. C.	4¾	1 Jan. 1970	110.00	111.00	4.14	109.00
Quebec	4	15 Mar. 1952	106.75	107.75	3.39	106.50
Quebec	4¼	1 Aug. 1958	110.50	111.25	3.53	110.25
Quebec	4½	2 Jan. 1963	112.50	113.50	3.71	112.50
Western—						
†Alberta	4	1 Dec. 1957	93.00	94.00	4.42	93.00
†Alberta	4½	1 Oct. 1956	96.25	97.25	4.72	96.00
†Alberta	5	1 Jan. 1948	101.00	102.00	4.79	101.00
Alberta	5	1 Sept. 1955	99.75	100.50	4.96	99.75
*Alberta	5	1 Oct. 1959	101.25	102.00	4.86	101.00
†Alberta	5½	1 Jan. 1947	103.25	104.25	5.01	103.00
Alberta	6	1 Mar. 1947	103.50	104.50	5.48	104.50
†Brit. Col.	4	1 Dec. 1957	93.00	94.00	4.43	93.00
*Brit. Col.	4½	15 Jan. 1951	98.00	99.00	4.59	98.00
†Brit. Col.	4½	1 Oct. 1953	96.50	97.50	4.71	96.00
†Brit. Col.	5	15 Jan. 1948	101.00	102.00	4.78	101.00
Brit. Col.	5	1 Sept. 1953	100.50	101.50	4.87	100.50
Brit. Col.	5½	1 Feb. 1945	102.25	103.25	5.07	102.25
Brit. Col.	6	15 Feb. 1947	104.25	105.25	5.38	104.00
†Manitoba	4	1 Dec. 1957	99.00	100.00	4.00	98.50
†Manitoba	4½	15 Dec. 1956	103.50	104.50	4.17	103.00
†Manitoba	5	15 June 1954	107.50	108.50	4.34	107.00
*Manitoba	5	2 Dec. 1959	108.00	109.00	4.39	108.00
Manitoba	5½	1 Oct. 1955	108.00	109.00	4.80	108.00
Manitoba	6	1 Apr. 1947	109.50	110.50	4.83	109.50
Sask.	4	15 Aug. 1953	90.00	91.00	4.75	89.50
*Sask.	4½	2 July 1945	99.00	100.00	4.50	98.50
†Sask.	4½	1 Oct. 1951	97.00	98.00	4.67	97.25
Sask.	5	1 Aug. 1958	100.50	101.50	4.90	101.00
†Sask.	5½	15 Nov. 1946	104.50	105.50	4.86	104.00
Sask.	6	15 Mar. 1952	107.50	108.50	5.25	108.00
Municipal Bonds						
†Calgary	5½	2 June 1944	90.00	93.00	6.55	90.00
†Edmonton	5½	1 Nov. 1945	90.00	93.00	6.45	90.00
†Halifax	5	1 July 1961	113.25	114.75	4.07	113.25
Hamilton	5	1 May 1950	101.00	104.00	4.62	101.00
Montreal	5	1 Mar. 1945	104.00	106.00	4.23	104.00
Ottawa	4½	1 July 1945	106.00	109.00	3.43	106.00
†Quebec	5	1 June 1959	107.00	108.00	4.45	107.00
Regina	5	1 July 1944	80.00	85.00	7.30	80.00
St. John	5	15 Dec. 1950	108.00	109.00	4.20	108.00
†Toronto	4½	1 Jan. 1955	108.50	110.50	3.75	108.50
Vancouver	5	1 June 1969	82.00	85.00	6.04	82.00
Victoria	5	21 July 1945	85.00	90.00	6.34	85.00
Winnipeg	5	1 Mar. 1944	102.50	104.50	4.36	102.50

*Payable Can., N. Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N. Y. ●Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

July 23, 1935

Industrial Stocks:	Bid	Asked
Acadia Sugar, c.	2.75	3.00
Do., pfd.	4.75	5.00
Acme F. Dairy, p.	35.00	40.00
Allens Beach, pfd.	52.00	...
Allens Tor. p. bon.	24.50	28.00
Aluminum Ltd.	25.00	30.00
Andian National	47.00	48.00
Atlant. Sugar, p.	105.00	107.00
B. C. Pulp, pfd.	10.50	13.00
Burns, A	2.25	3.50
Do., B	1.65	3.00
Canada Paper, p.	61.50	...
Canada Starch, c.	12.50	...
Do., pfd.	82.00	...
Can. W. & C., p.	56.00	58.00
Can. Indust. A	192.00	...
Do., B	191.50	193.00
Do., pfd.	159.00	161.00
Can. Paperb. p. b.	4.25	6.00
Can. Tube 1st pfd.	27.50	...
Can. Westing.	46.50	48.00
Chase, p. bonus	24.00	26.00
Claude N. Ad. U.	2.50	3.25
Copeland Flour U.	4.00	5.75
Dom. F. & Steel c. (new)	17.00	...
Do., pfd. (new)	75.00	78.00
Dom. Woollens c.	.40	1.00
Dunlop Tire pfd.	68.00	71.00
East. Dairies pfd.	12.00	15.00
Ed. C. Dairy pfd.	48.50	...
Fed. Grain com.	.50	1.00
Fed. Grain, pfd.	27.50	29.00
Goderich Elevator	4.50	5.25
Greening Wire p.	99.00	103.00
Guelph Carpet p.	97.00	99.00
Do., com.	14.50	15.50
Hayes Wheels pfd.	...	10.00
High. Dairy com.	3.25	4.00
Do., pfd.	78.50	...
Huether Brew. p. b.	3.00	4.00
Inter City Bak. c.	17.00	19.00
Int. Met. Ind. A p.	35.00	40.00
Inter. Paints pfd.	19.00	21.00
Loew's London p.	1.75	2.75
Mansf. Theat. p.	24.00	26.00
Massey Harris pfd.	24.50	25.00
Mercury Mills pfd.	6.00	10.50
Morrow Screw p.	95.00	...
New M. Ld. p. b.	60.50	65.00
Niag. W. W. pfd.	50.00	52.00
Para. Oshawa pfd.	56.00	...
Perf. Pet. pfd.	15.00	19.00
Prov. Paper pfd.	96.50	98.00
Rel. Grain pfd.	64.00	68.00
Rob. Cons. Cone	8.00	8.75
Ruddy, pfd.	24.00	...
Std. Fuel p. bon.	101.00	103.50
Supert. Pet. B p.	25.50	27.50
Tor. Carpet pfd.	30.50	...
United Amuse. B	10.00	11.50
United Amuse. A	11.00	12.50
Un. Steel A pfd.	3.00	4.00
West. Gr. p. bon.	9.50	11.00
Insurance Stocks:		
Brit. America	36.00	...
Canada Life	441.00	...
Canadian Fire	73.00	80.00
Can. Ins. Sh. c.	10.50	12.00
Conf. L. 20% pd.	124.00	126.00
Cont. L. 20% pd.	35.00	40.00
Crown Life	105.00%	...
Dominion Fire	103.00	...
Dom. L. 50% pd.	260.00	300.00
Dom. Can. Gen.	...	92.00
Empire L. 25% pd.	3.00	5.00
Excel. L. 30% pd.	69.00	74.00
Fed. Fire 25% pd.	35.00	39.00
Fidelity Ins.	44.00	49.00
Gt.-West Life	395.00	405.00
Guar. of N. A.	241.00	...
Imperial Life	305.00	...
Manuf. Life	240.00	245.00
Mon. L. 10% pd.	16.50	18.00
Nat. L. 25% pd.	53.00	56.00
Sov. L. 25% pd.	14.50	18.00
Sun Life	390.00	410.00
Tor. General	4.25	5.00
West. Assur. com.	35.00	37.00
Do., pfd.	40.50	...
W. Emp. L. 20% p.	...	8.75
Trust & Loan Stocks:		
Chartered Trust	74.00	77.00
London & W. Tr.	33.00	36.00
Premier Trust	87.50	92.00
Sterling Trust	30.00	35.00
Traders Fin. B p.	63.00	...
Do., c.	.65	....
Trusts & Guar.	34.00	36.00
Victoria Trust	120.50	126.00
Waterloo Trust	98.50	...
Sherbrooke Trust	110.00	...
Investment Trust Shares:		
Can. Gen. Inv.	6.20	6.35
Can. Inv.	5.55	6.25
Can. Int. Tr. U.	25.00	28.00
Can. Invest. Fund	3.25	3.70
Cons. Div. Std. Sec. Units	10.50	12.00
Deb. & Sec. pfd.	23.50	26.00
Dom. & Anglo Inv. Units	191.00	...
Dom. Scott. In. U.	23.00	25.00
For. Power Sec. p.	...	10.00
Invest. Found. U.	38.50	40.00
Sec. Hold. Units	11.00	12.50
United Corpns. A	14.60	15.50
Do., B	4.00	4.50
Power Issues:		
Can. L. & P. com.	26.50	30.00
Can. W. N. G. p.	96.00	97.00
Do., c.	20.00	24.00
Gt. Lakes Pwr. p.	60.00	65.00
N. B. Tele. com.	10.50	11.50
N. S. L&P com.	46.50	49.00
Do., pfd.	95.50	96.50

Recent London Quotations:

Brit. Col. Tele., pfd.	$105
Brew. & Distillers	3s.
Canada Company	7s. 6d.
Can. & For. Secs.	4s.
Can. Collier, $1 com.	1½d.
Do., pref. $10	4½d.
Can. N. W. Land	15s.
Can. West. Lumber	1s.
Hudson's Bay	18s.
Do., pref.	90s.
Imp. Tob. (Canada) 6% pfd.	27s. 6d.
Third Can. Gen. Inv.	6s. 6d.

Winnipeg Stock Exchange

(Transactions from July 11 to July 17)

	Sales	High for period	Low for period	Close July 17
Federal Grain, pfd.	5	26.75	26.75	26.75
Flin Flon Synd.	50	.17½	.17½	.17½
Great-West Life	5	398.00	398.00	398.00
Home Investment	18	25.00	25.00	25.00
Knee Lake	300	.35½	.33	.33
Gold Lake	500	.25	.25	.25
Island Lake	1,500	.03	.03	.03
Oro Grande	2,500	.05	.05	.05
Wingold	5,550	.07½	.06	.06
United Grain	44	15.25	15.00	15.00
Vanson Man.	8,500	.06	.04½	.04½

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber, c.	..	3
City Dairy A	69	..
Federal Grain	..	10
[illegible]	..	1
Monarch L. 10% pd.	..	19
Northern Trust	..	9½
Rel. Grain, pfd.	64½	66½
West. Grain, pfd.	8	..
Can. Amer. Trust	2.87	3.20
Can. Inv. Fund	..	3.70
Fundamental A	4.70	5.25
Series B	4.44	...
Grouped Inc.	..	4.65

*Stocks more active on other exchanges not included.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

Accountant, Auditor

Wide range of practical experience, including Banking, Industrial and Commercial Accounting and Auditing. Recognized Public Accountant degree. Now holding responsible position. Desires new connection. For personal interview write Box 142, Financial Post, Toronto, Can.

Position Vacant

EXPERIENCED REPORTER or financial writer wanted for responsible work on important weekly paper. Position will not open up for a few weeks, but in meantime we wish to correspond with any ambitious candidate for the work. Must be high grade man, intelligent and studious, capable of getting to the story behind the story. Preferably college man not over 40, and must have had varied experience in Canadian journalism. Box 140, The Financial Post, Toronto, Can.

CAPITAL
Available
in substantial amount to purchase outright or the control of a long established manufacturing company with a good record of earnings in the past but which has not been as profitable in recent years. Experienced executive with substantial backing will purchase control of a suitable company which he can then rebuild. Reply in first instance, if you prefer, through your banker or attorney to
Box 144, Financial Post, Dom. Square Bldg., Montreal

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 289

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the THIRD day of SEPTEMBER next, to Shareholders of record at close of business on 31st July, 1935.

By order of the Board.

W. A. BOG, General Manager — JACKSON DODDS, General Manager

Montreal, 19th July, 1935.

The Royal Bank of Canada

DIVIDEND NO. 192

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Tuesday, the third day of September next, to shareholders of record at the close of business on the 31st day of July, 1935.

By order of the Board.

S. G. DOBSON, General Manager.

Montreal, Que., July 12, 1935.

The Canadian Bank of Commerce

Dividend No. 194

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1935, and that the same will be payable at the Bank and its Branches on and after Tuesday, 3rd September next, to shareholders of record at the close of business on the 31st July, 1935. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN, General Manager.

Toronto, 19th July, 1935.

McINTYRE PORCUPINE MINES, LIMITED

(No Personal Liability)

DIVIDEND NO. 67

Notice is hereby given that a dividend of ten per cent. (10%) on the Company's Capital Stock will be paid in New York funds on September 2, 1935, to shareholders of record at the close of business on August 1, 1935.

By order of the Board.

BALMER NEILLY, Treasurer.

Dated at Toronto, July 18, 1935.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that quarterly dividends of 25 cents per share on the Class "A" shares and 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending August 31, 1935, payable on the 3rd of September, 1935, to shareholders of record at the close of business on the 14th day of August, 1935. Payment will be made in Canadian Funds.

By order of the Board.

D. URQUHART, Secretary.

Toronto, July 17, 1935.

ROSEDALE GOLD MINES LIMITED

(No Personal Liability)

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1% on the capital stock of Rosedale Gold Mines, Limited, has been declared, payable on August 1, 1935 to shareholders of record July 27, 1935. Dividend cheques will be issued by the Disbursing Agents, Prudential Trust Company, Limited.

On behalf of the Board,

A. RITCHIE, Secretary.

Large Support Is Shown For Winnipeg Electric Plan

Depositaries in connection with the meetings of bondholders of Winnipeg Electric and affiliated companies report that proxies representing substantial amounts of bonds are being deposited daily.

The plan of consolidation and readjustment to be submitted for the approval of bondholders at meetings in August is the culmination of more than two years activity by the various bondholders' protective committees whose recommendation it carries. The consolidation of the companies which the plan would secure is intended to prevent prolonged controversies and possible litigation between the various interests. The effect of these would be, it is urged, to cause a stoppage of all interest payments for an indefinite period and probably result in a loss of part of the principal of the securities.

The plan maintains intact the principal of the bonds of all the companies, provides for the largest income which the finances of the consolidated company are thought likely to permit, and affords present bondholders an opportunity to share in any possible future prosperity of the consolidated company through an allotment of contingent certificates and common stock. It also gives bondholders representation on the board of directors and a voice in the future management of the consolidated company.

If the proposed plan be not approved, it is regarded as inevitable that separate receivers must take possession of the various properties.

Heavy expenses would inevitably be incurred if that happens and by breaking up the enterprise as a whole would deprive each company of essential facilities now available as part of the whole.

ROGERS MAJESTIC EARNINGS IN 1935 ON BETTER BASIS

Starting Earlier in Modernized Factory With More Orders

A net profit of almost $2,000 for Rogers Majestic Corp. after depreciation and taxes for the year ended March 31, 1935, is the first net operating profit for four years. The profit would have been larger, states G. Harrison Smith, chairman of the board, except for delay caused by consolidating the two manufacturing plants. The company was therefore unable to fill a very large number of orders.

In the coming season, Mr. Smith states, production will begin several months earlier than usual without these handicaps in a modernized plant and greater sales are expected. The decision to acquire Consolidated Industries assets a year ago has been vindicated by the fact that the company has now twice the 1933 volume of business.

Controlled in Canada

D. G. Mackenzie, vice-president and general manager, states that the company is the only really Canadian radio manufacturing company in existence and that its percentage of the Canadian radio business has gone up from 11 to 25 per cent in the last two years. The refrigeration business, he states, has doubled and the washing machine volume is steadily increasing.

The company has 1,500 shareholders and all but a few thousand shares are held in Canada. It employs 1,200 people and spent about $2 millions in Canada in 1934. It has Rogers, De Forest Crosley and Majestic advertised trademarks in the radio field, Rogers radio tubes in the tube field and Apex washers and ironers, De Forest washers and ironers and Norge refrigerators in the domestic appliance field.

Improvement in working capital is due to higher inventories mainly and to lower bank loan and accounts payable. Deferred liabilities are $238,797.

(For earnings report see page 19).

Distillers Corp.-Seagrams Adjourned Annual July 27

From Our Own Correspondent

MONTREAL. — Shareholders of Distillers Corp.-Seagrams expect to hear details of current year operations at the annual meeting on July 27. This meeting was adjourned from January 9 because of the smuggling cases then pending against some of the company's officials. These have since been dismissed.

DIVIDEND NOTICES

The Shawinigan Water and Power Company

Notice is hereby given that a dividend of Thirteen (13c) cents per share has been declared on the no par value common shares of the Company for the quarter ended June 30th, payable August 15th, to shareholders of record July 24th, 1935.

By Order of the Board.

JAMES WILSON, Secretary.

Montreal, July 17, 1935.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 269

A regular dividend of 1% has been declared on the Capital Stock of the Company, payable on the 12th day of August, 1935, to shareholders of record at the close of business on the 26th day of July, 1935.

Dated the 19th day of July, 1935.

I. McIVOR, Assistant-Treasurer.

The Guelph Carpet & Worsted Spinning Mills Limited

Preferred Dividend No. 25

Notice is hereby given that a Dividend of One and Five-eighths per cent (1⅝%) being at the rate of Six and One-half per cent (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills Limited, for the Three Months ended July 31st, 1935, payable August 1st, 1935, to Shareholders of record at the close of business July 20th, 1935.

By Order of the Board.

B. F. GRIGGS, Secretary-Treasurer.

Guelph, Ont., July 17th, 1935.

HUDSON BAY MINING AND SMELTING CO., LIMITED

DIVIDEND NO. 1

A dividend of fifty cents per share has been declared on the stock of Hudson Bay Mining and Smelting Co., Limited, payable August 31, 1935, to stockholders of record at the close of business August 9, 1935.

The Board of Directors requests that this distribution be regarded simply as a return of earned surplus and not the establishment of a dividend basis or policy for the future, formulation of which should not, in the opinion of the Board, be attempted at this time.

H. E. DODGE, Secretary.

July 17, 1935.

George Weston Splits Common Two For One

Splitting of George Weston common stock two for one, as authorized by shareholders at a special general meeting on February 1, 1935, but later deferred is now being effected. Supplementary letters patent dated July 18, 1935, have been issued at Ottawa and shareholders are being asked to surrender their present common share certificates so that the change may be made by the transfer officer, The National Trust Co., Toronto.

The Toronto Stock Exchange advises that trading in the existing shares will continue until the new shares have been listed. The directors will meet before the middle of September, 1935, to deal with the dividend on the common stock. The investor wonders if this means a higher dividend because the level of earnings in 1934 was higher than present dividends and earnings in 1935 are reported to have increased in Canada.

ONTARIO HYDRO LOAD INCREASES AGAIN IN JUNE

Niagara System Still Keeps Up Steady Gain in Maximum

Primary and secondary load of Ontario Hydro-Electric Power Commission in June at the maximum 20-minute peak of horsepower was 16.6 per cent higher than in June, 1934. Primary load was 5.2 per cent higher. Purchased power commitments were 608,701 h.p.

The primary and secondary load for the Niagara System increased 13.7 per cent and the primary load 5.5 per cent. The following table gives the comparison for five systems.

June Summary of Loads

System:	June, 1935 h.p.	June, 1934 h.p.	% Increase
Primary Load (Max. 20-Minute Peak)			
Niagara	856,836	812,198	+5.5
Eastern Ont...	93,881	89,155	+5.3
Georgian Bay.	24,001	25,823	—7.1
Thunder Bay.	63,137	65,147	—3.1
Nor. Ontario..	54,245	45,506	+19.2
Total	1,092,100	1,037,829	+5.2
Primary and Secondary			
Niagara	1,176,809	1,035,255	+13.7
Eastern Ont...	123,184	89,155	+38.1
Georgian Bay.	24,149	25,823	—6.5
Thunder Bay.	108,579	115,817	—6.2
Nor. Ontario..	103,307	51,806	+99.4
Total	1,536,028	1,317,856	+16.6

Dominion Stores Sales Down 10 p.c. in July

Dominion Stores sales for four month period ended July 13, 1935, were $1,340,440 as compared with $1,488,015 for the corresponding period a year ago, or a drop of almost exactly ten per cent.

This is slightly higher than the average percentage monthly decrease in sales in the current year to-date but an improvement on the previous month when the drop was $207,122 or 13.29 per cent.

U. S. Trading in Algoma Extended Until Sept. 13

The Philadelphia Stock Exchange has announced that by authority of the Security and Exchange Commission trading in Algoma Consolidated Corp. stock may continue until Sept. 13.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, c.	20c	Sept. 2	Aug. 15
Do., bonus	20c	Sept. 2	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Bk. of Montreal ..	$2	Sept. 3	July 31
B. C. Elec. Rly. pf.	2½%	July 15	July 4
Beatty Bros. 1st p.	$1.50	Aug. 1	July 15
Beld. Cort. c.	$1	Aug. 1	July 15
Beld. Cort. pfd ...	$1.75	Sept. 14	Aug. 31
B. C. 'Phone 2nd pref.	$1.50	Aug. 1	July 17
Bank of Toronto	$2.50	Sept. 3	Aug. 15
Buffalo Ankerite	5c	Aug. 15	Aug. 1
Can. Dredge, pref.	$1.75	Aug. 1	July 19
Can. Bronze	15c	Aug. 1	July 19
Do., pref.	$1.75	Aug. .	July 19
Can. Indust. A & B	$1	July 31	June 29
Do., extra	75c	July 31	June 29
Can. South. Rly. c.	$1.50	Aug. 1	June 28
Can. Converters	50c	Aug. 15	July 31
Calgary Power, pf.	$1.50	Aug. 1	July 15
Coast Brew.	23c	Aug. 1	July 19
Can. Bk. of Com...	$2	Sept. 1	July 31
Can. Inv. Fund spc. & ord.	3½c	Aug. 1	July 15
Dom. Bridge ...	30c	Aug. 15	July 31
Dom. Coal, pfd ..	†$1.75	Aug. 10	July 31
East. Theatres, pf.	$3.50	July 31	June 29
Guelph Carpet, p.	$1.62½	Aug. 1	July 20
Hollinger Mines ..	5c	Aug. 12	July 26
Hudson Bay Mine	†50c	Aug. 31	Aug. 9
Humberstone Shoe	50c	Aug. 1	July 8
Imperial Bank ...	$2.50	Aug. 1	June 29
Inter. Utilities pf..	87½c	Aug. 1	July 20
Do., $3.50 pf. ..	43¾c	Aug. 1	July 20
Int. Nickel, pfd. ..	$1.75	Aug. 1	July 2
Inter. C. Bak. ...	‡$1	Aug. 1	July 23
Loblaw A & B ..	25c	Sept. 3	Aug. 14
McIntyre Porc. ..	50c	Sept. 2	Aug. 1
Montreal L. & Pr. ..	38c	July 31	June 30
Nat. Biscuit pf....	$1.75	Aug. 31	Aug. 15
Nat. Biscuit, c.....	40c	Oct. 15	Sept. 13
Old Can. Invest. p.	5%	Aug. 5	July 31
Do , com. A	6%	Aug. 5	July 31
Penmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 22
Quebec Power......	25c	Aug. 15	July 25
Rolland Paper, p.	$1.50	Sept. 2	Aug. 15
Royal Bank	$2	Sept. 3	July 31
Royal Trust	80c	July 31	July 31
Russell Motor pfd.	$1.50	Aug. 1	July 19
Rosedale Mines ..	†1c	Aug. 1	July 27
Shawinigan	50c	Aug. 15	July 24
Simpsons, pfd. ...	$1	Aug. 1	July 23
So. Can. Pwr. c.....	20c	Aug. 15	July 31
Steel of Can.	43¾c	Aug. 1	July 6
Do., pref.	43¾c	Aug. 1	July 6
San Antonio Gold..	7c	Aug. 1	July 15
St. Law. Flour ..	50c	Aug. 1	July 20
Do., pref.	$1.75	Aug. 1	July 20
Toburn Gold	2c	Aug. 21	July 29
Weston, Geo., pf. ..	$1.75	Aug. 1	July 20

†Initial. ‡Interim.

Wheat

From Our Own Correspondent

Rust

WINNIPEG.—Probably the most menacing situation lies in the rust infection now apparent in southern Manitoba and to a lesser extent in southeastern Saskatchewan. With crops somewhat later than usual and with existing moisture supplies, the danger is very marked.

Rust has now progressed so far in Manitoba as to have cut down the prospects of wheat production by from a third to a half. It is not so prevalent in the northern part of the province, but throughout the southern and central parts there is enough to constitute a serious threat in almost every district. In some districts it has already eaten into the wheat stems to such an extent as to give little hope of a crop that will be worth harvesting. The rust on oats and barley is much less severe.

In the eastern part of Saskatchewan the danger is still comparatively small. Fortunately, prevailing winds are from the west, leaving comparatively little danger of spread from Manitoba. In both provinces the primary rust infection seems to come from the United States. Alberta, even in years when rust is very bad in other parts of the prairies, rarely suffers severely.

Market Stronger

ALL world wheat markets have continued to increase in strength, continuing the process begun during the previous week. Both immediate and longer term factors are at work. Immediately Liverpool is affected by the low level to which supplies afloat have shrunk due to recent small world shipments. Argentine shipments have declined to some extent, and Australian more so. Canadian shipments have been extremely light as Pacific Coast exporters have shown great reluctance to put unsold wheat afloat. July wheat in Liverpool has gone to a premium as compared with more distant months. For a long time it was the near-by wheat which was cheapest. The market structure shows the effect of the lack of increased Canadian shipments. This may result in intensified demand in the weeks just ahead. It is possible, however, that British millers have some expectation of being able to secure some supplies from Russian and from Danubian countries to help bridge the gap before another Argentine crop is harvested.

• • •

Sales Improve

SALES of Canadian wheat seem to have been slightly better. Whereas not long ago the government agency was called on to increase its holding by absorbing a considerable proportion of hedges on country grain at the pegged price, the market during the past few days has taken all these at something above pegged levels. In addition it has absorbed a limited volume of selling which has been credited to the government agency. But general opinion does not put the total of the latter very high.

There have been reports, as to which no confirmation is possible, that large export interests have lately shown a willingness to undertake in a single transaction the purchase of many million bushels of wheat from the government agency. The price would be somewhat, but not very far below the present pegged level. Such offers have been declined, it is said, in the hope that the general international level will before long justify the present holding attitude.

• • •

Canadian Crop

THE Canadian crop is now entering its critical stages, continues the summary. The general position is favorable but reservations must be made for actual or potential factors in causing crop losses. Drought has taken a serious toll of crops in sections of southwestern Saskatchewan and in large areas in southern Alberta. A great deal of this damage is definite and irreparable while some has been reduced by recent rains. A shortage of moisture is noticeable in sections of west-central and northwestern Saskatchewan and east-central Alberta and if present conditions continue, this shortage will be translated into reduced yields. Lateness of crops, especially in northern Alberta and in the Peace River area is a distinct factor.

U.S. Crop

WHEAT crops have matured, are maturing or are reaching their critical stages of development in the large wheat producing areas of the Northern Hemisphere, states the Dominion Bureau of Statistics July summary. The wheat situation at the moment is dominated by crop news as it emanates from various areas in North America and in Europe.

The United States situation has been officially summarized in an estimate of 731 million bushels of wheat as compared with 497 million last year and the five-year average of 861 million from 1928 to 1932. This estimate, of course, was based upon conditions on June 30 and the critical month of July could cause considerable change in the spring wheat areas.

Winter wheat production was forecast at 458,001,000 bushels, an increase of about 17,000,000 over the June forecast. Production of all spring wheat in 1935 was forecast at 272,984,000 bushels as compared with last year's extremely short crop of 91,377,000 and the five-year average (1928-1932) of 242,384,000.

More Condensed Milk

Concentrated milk products manufactured in Canada during May, 1935, totalling 11,941,774 pounds, showed an increase of 1,670,928 pounds, or 16 per cent over the same month a year ago.

Political Issues Cloud Wheat Marketing Plans

Knotty Problems, Political and Non-Political, Confront Government Through Responsibility For New Wheat Board

From Our Own Correspondent

WINNIPEG.—The fog of uncertainty over the wheat marketing situation is deeper now than ever before. To clear it these questions will have to be answered:

1. Who will comprise the personnel of the coming Canadian Wheat Board?
2. How will this Board deal with old crop wheat of approximately 200,000,000 bushels, of which it will take over direct ownership of about 75 million bushels from the present government agency and futures contracts for the remainder?
3. What fixed minimum price will be set by the Board, with government approval, for new crop wheat?
4. Will the government, by paying higher than market values, establish a monopoly on all new crop wheat?
5. Will a futures market continue to be operated?
6. How and when does the government, either through its present agency, or the new Board to be appointed, intend to begin exporting more wheat?

May Wait on Election

Perhaps these questions, or some of them at least, cannot be answered until after the general election. For political angle is not to be avoided, both because an election is due before the new Board can get under way, and because of the responsibilities placed on the government by the terms of the Wheat Board Act. Although the act is to be administered by a Board, it is upon the government that responsibility is really fixed. It must be continuously responsible for what the Board does.

McFarland's Position

Difficulties are intensified by the position of John I. McFarland. A close associate and personal friend of the Prime Minister, it has been assumed that he would have no great desire to serve under an administration headed by anyone else, even if his operations had not lately been under fire from the Liberals. The present government, it is believed, would like Mr. McFarland to accept office, if his health would permit. But his willingness to do so is doubted, because of the terms of the act under which he would be required to operate. The three names most prominently mentioned as a probable board membership are John I. McFarland; Robert McKee, Vancouver wheat exporter, and Paul Bredt, head of the Manitoba Pool.

Fixed Price

If such difficulties can be overcome fresh ones will be created by establishment of a board before the election. As soon as it is appointed political demands will be made for it to proclaim a high fixed price. Already former Premier Brownlee and Premier Reid, of Alberta, who are just commencing a provincial election campaign, have come out with demand for an initial price of 80 cents a bushel.

Both the Board and the government will want to reasonably ascertain the probable size of the coming crop before committing themselves to the amount of the fixed price. But once the Board is appointed demands will be insistent for it to declare its price. Such demands will inevitably continue up to polling day.

Pegged Price

Another political angle is the pegged price now in effect, at which farmers are enabled to deliver the remainder of their old crop wheat. It might be felt desirable to lower this price in order to promote a more rapid market movement. To do so would involve political dangers. Farmers who still have some wheat to sell might be resentful.

Voters in other parts of the country who have noted that the paper loss to date on government wheat operations is only about $15 millions might be much more impressed if it jumped suddenly to a larger figure through lowering of the nominal price for Canadian wheat.

Those dangers are perhaps greater than those arising from the continued lack of appreciable wheat exports. On the other hand, if conditions suddenly change so a large export business from Canada commences without lowering the pegged price, the whole wheat operations of the government might be looked upon more favorably.

Canadian Seed Wheat Does Well in England

A sample of Canadian seedwheat has produced remarkable results in the south of England. The seed was secured from Manitoba a year ago and planted in Essex. In appearance, the resulting crop appears to be ideal wheat, practically every berry being uniform in size. Protein content is said to be not as high as that of wheat grown in Western Canada, but the grain is hard and brittle and closely resembles its parent.

The yield, however, of the English crop was 46 bushels per acre which, of course, is very much higher than the average through Western Canada.

It is pointed out, however, that the summer of 1934 in Great Britain was exceptionally favorable for producing a dry wheat. It is generally known, of course that if the same wheat was grown in England year after year, it would eventually revert to the soft quality of English-grown wheat but the experiment does seem to indicate the possibility of importing seedwheat from Western Canada for producing commercial crops in the Old Country.

Hay and Pastures Best in History

From Our Own Correspondent

WINNIPEG. — The greatest change in the Western crop situation, of which no statistical account can be made, has been in pastures and hay. A growth unparalleled in Western agricultural history is reported from almost every section. This has completely reversed the situation in the 1934 drought areas where last year the very existence of all livestock was threatened by lack of fodder.

SOUTHERN ALTA. ONLY EXCEPTION GOOD CROP RULE

Very Dry Weather Around Lethbridge—Irrigation Saves Situation

From Our Own Correspondent

LETHBRIDGE. — The middle of July finds the crop situation in Southern Alberta at a critical stage. The city itself is the centre of a small "island" that has witnessed the driest season in 32 years. This means that the immediate Lethbridge district dry land crops are suffering acutely and the best that can be hoped for is a fair light crop.

But this condition prevails in a small area only. North of Champion and north of Granum crops are good, also in the southeast areas fields are holding up remarkably well. The foothills region is likewise good. A soaking general rain would, of course, do wonders to the crop picture but if no more rain falls a fair average crop in those more favored sections will be threshed. Grain is heading short and winter rye now being harvested will be light.

Irrigation Helps

There is one phase of the crop situation in this section that is often overlooked. Surrounding Lethbridge there is a quarter million acres of irrigated lands. Farms "under the ditch" even in the present dry year are a picture and all crops will give excellent returns. Grain stands waist high, sugar beets are covering the rows and promise a normal crop, a heavy alfalfa hay cut is being gathered and potatoes and cannery crops are good. Honey producers report a fair crop so far.

In the ranching districts rain is needed for the browning ranges. Wool is moving to market with a clip this season of exceptionally good quality. Rarely has the wool been cleaner. More than 60 cars have rolled east to the Canadian Co-operative Wool Growers warehouse at Weston, Ont. Farmers and ranchers are already making their plans for feeding lambs and young cattle during the winter. In the irrigation areas feed promises to be ample, hence the feed lots will carry the usual number of animals.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Fort William, July 19	74,204,864	77,534,840	57,433,888
Country elevators, July 5	55,531,809	60,302,568	69,346,722
Total all points, July 19	190,996,340	195,044,398	184,108,612
World Shipments, incl. flour: July 20:			
North American	2,276,000	1,590,000	3,650,000
Argentine	▲3,000,000	2,314,000	▲4,600,000
Australian	1,314,000	2,541,000	1,958,000
Black Sea*	....	....	....
Total. world	7,784,000	8,557,000	10,892,000
Visible Stock: July 20:			
Canadian	121,474,000	123,659,000	....
United States	....	23,285,000	....
Argentine	....	13,594,000	....
Country Marketings and Exports:†			
Canadian exports, July 12	1,102,239	1,442,503	3,028,702
Cum. to July 5 (49 weeks)	113,807,961	112,706,124	148,324,599
Country marketings, July 5	2,731,733	2,470,370	2,259,792
Cum. to June 28 (49 weeks)	218,713,610	215,981,877	218,735,131
Country deliveries, July 19‡	3,294,000	2,311,000	3,051,000
Country loadings, July 19‡	6,774,000	5,295,000	5,602,000

*Includes South Russia. †Excluding flour. ‡Sanford Evans Weekly Report. ▲Approximate.

Winnipeg Grain Prices

Week to July 23, 1935

Crop year from Aug. 1, 1934 High	Low		Open July 17	High for week	Low for week	Close July 23
		Wheat				
.91½	.80	July	.80	.81¼	.80	.81⅛
.84⅞	.80	Aug.	.80⅝	.81⅜	.80⅛	.81⅜
		Oats				
.45⅞	.35⅛	July	.42¼	.44½	.42¼	.44
.47⅞	.29⅝	Oct.	.30⅞	.32⅝	.31½	.32⅛
.30½	.29⅜	Dec.	.....	.30	.29⅜	.30
		Barley				
.60½	.33⅛	July	.34¾	.35¾	.34¾	.35¼
.48⅞	.31⅝	Oct.	.33⅝	.36	.33⅝	.35⅝
.36⅛	.34⅜	Dec.	.....	.36⅛	.34⅞	.36⅛
		Flax				
1.49⅛	1.14½	July	1.21	1.25⅜	1.20	1.25⅜
1.41¼	1.15	Oct.	1.16¼	1.24	1.16¼	1.23
1.22½	1.17⅜	Dec.	......	1.22½	1.17⅜	1.21½
		Rye				
.66⅜	.31½	July	.35	.36¼	.35	.36¼
.56⅝	.33¾	Oct.	.36⅞	.39¼	.36⅞	.38¾
.40¾	.37½	Dec.	.38¼	.40⅝	.38⅛	.40

Farm Factors

Agricultural Trends Affecting Business and Finance

Adios Grapes

GRADUALLY, like similar ambitious control schemes in United States, Canada's Natural Products Marketing Act seems to be losing its grip. As first suggested practically everything grown on the farm, or manufactured afterward was to come under its direction. To date, however, but a handful of schemes involving but an insignificant portion of total agricultural production have been brought under practical control.

The latest fiasco concerns grapes. Certainly a natural product and grown in very limited commercial areas throughout the Dominion this crop would seem to lend itself to a definite marketing scheme. But apparently this is not the case for J. M. Challes, organizing secretary of the Ontario grape scheme has just announced:

"Then came a decision of the department of justice under the Marketing Act, Section 5-4-A. That the principal market for the natural product is outside the province of production.' This made the scheme unworkable to the satisfaction of the board."

Buying Stimulated

A GENERALLY higher price level for farm products and the prospects of good crops this fall have already had a stimulating effect on moral purchasing power throughout Canada. For the first time in over five years, motorists are beginning to notice a fair amount of new shingling, fencing, painting, and other rural improvements.

Implement manufacturers report the best sales since 1929 and the same is true of automobile dealers. The improvement, it is reported, is general throughout eastern Canada and in the west is most pronounced in the livestock districts.

The increase in beef cattle prices over a year ago has resulted in the most spectacular improvement though fairly steady and profitable prices for hogs for two years past have played an equally important part.

Crop conditions throughout Canada with a very few exceptions, are reported generally favorable. Prospects point to a bumper yield of spring grains. If prices hold at their present level throughout the marketing season for these crops or throughout the season when the livestock, milk, eggs, etc., produced from those crops are marketed, then there should be a very sharp curve upward in rural purchasing power. Such purchases as have been made already should prove only a very small beginning.

Wheat Prices

(Cash Quotations)

	Aver. for week July 13 $	Previous week $
At Winnipeg:		
No. 1 Man. Hard	0.801	0.808
No. 1 Northern	0.801	0.808
No. 2 Northern	0.771	0.778
No. 3 Northern	0.721	0.728
No. 4 Northern	0.646	0.653
No. 5 Wheat	0.581	0.588
No. 6 Wheat	0.576	0.582
Feed Wheat	0.541	0.548
At Vancouver:		
No. 1 Northern	0.771	0.781
At Toronto:		
Milling Wheat	0.720	0.680

Competitive Export Prices: (July) shipment:

	High (Week to July 19) $	Low $
No. 1 North. (Vanc.) ...	0.89⅛	0.87⅞
No. 2 North. (Atlan.) ..	0.88¾	0.87½
No. 2 North (Vanc.) ...	0.83⅝	0.82⅛
Argentine Rosafe	0.70⅞	0.67⅝
Do., Barusso	0.68⅛	0.65¼
Australian	0.75⅞	0.73⅝
West Australian	0.78¼	0.76⅝
French	0.58⅛	0.56⅝

McCabe Bros. Grain Co.
LIMITED
WINNIPEG, MAN.
GRAIN COMMISSION MERCHANTS
Shippers and Exporters
All Grains-Sacked Feeds
Operating Country Elevators
MANITOBA SASKATCHEWAN ALBERTA
Branch Offices:
DULUTH — MINNEAPOLIS

A Complete Investment and Trading Service
STOCKS ... BONDS
GRAIN ... MINES
MELADY, SELLERS & CO. LTD.
Grain Exchange WINNIPEG Phone 92709

NATIONAL ELEVATOR CO., LTD.
WINNIPEG, MAN.
COUNTRY ELEVATORS IN THE WESTERN PROVINCES TO SUPPLY SELECTED OATS, BULK OR SACKED, FOR LAKEHEAD SHIPMENTS FOR EASTERN TRADE.
WINNIPEG, CALGARY, EDMONTON, PORT ARTHUR

RELIANCE
GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY CO. INC.
510 PRODUCE EXCHANGE, NEW YORK
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

FEDERAL GRAIN
LIMITED
OPERATING TERMINAL ELEVATORS — FORT WILLIAM — PORT ARTHUR — VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Winnipeg
Two Terminal Elevators in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

GRAIN MERCHANTS
in World Trade
Shippers and Exporters
Owning and Operating
Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
Over 200 Elevators in Western Canada
WINNIPEG · MONTREAL
VANCOUVER
CALGARY · EDMONTON
MOOSE JAW
SASKATOON · REGINA
KINGSTON · TORONTO
JAMES RICHARDSON & SONS Limited

News of Canadian Mining Investments

The Week in Mining

Inflation Effects

CRAIG, Ballantyne & Co., Montreal brokerage concern, has the following to say in connection with the effects of inflation on mining stocks: "Inflation with all its implications is a threadbare subject of discussion by this time, but it still urges investors to keep a friendly eye on the metal stocks. In a period of economic recovery the speculative possibilities of such issues as Consolidated Smelters, International Nickel and Noranda are undeniable, but current prices of the first two seem to take into account present probable earnings. Zinc and lead are the primary products of Consolidated Mining and Smelting Co.; the statistical position of zinc is improving and a further revival in the building trade would assist the price of lead. Noranda Mines, Ltd., produces copper at a lower cost than most companies of its kind, and the gold output from its properties is also of considerable importance."

The part that International Nickel has played in the general recovery movement and the progress it has made during the past two years amply demonstrates its possibilities as a hedge against inflation. While demand for nickel stands at the highest point in the history of the industry this company will derive large benefits from further economic recovery.

* * *

Should Be A Warning

AFTER a battle of a year's duration the investigation of Wayside Gold Mines under the Security Frauds Prevention Act of British Columbia has come to an end with the conviction of Vancouver Stock and Bond Co., underwriters of the company's stock; Colquhoun de Wolfe & Co.; George St. John, manager of Vancouver Stock and Bond Co.; and Purves E. Ritchie, manager of Wayside Gold Mines, on charges of violating the Securities Act in connection with trading in capital shares of Wayside Consolidated Gold Mines. A fine of $17-000 was imposed on the Vancouver Stock and Bond Co. and $1,000 each on the other three.

This conviction should be a warning to other promoters of mining stocks, not only in British Columbia but in other parts of Canada, who are inclined to ignore security frauds regulations. Strict watch over security promotions is being kept in almost every Canadian province. In the Wayside case every effort was made to prevent the government from making an investigation but after a year's fight in the courts the government won its point.

* * *

Index of Mining Stocks

A FURTHER decline in mining stocks was witnessed for week ending July 18. The general index fell from 118.0 to 117.4. This was 22.7 points lower than for the corresponding week of 1934 when the index was 140.1.

Prices were generally easier among the gold stocks. With the exception of Wright-Hargreaves and Siscoe, all gold stocks registered small losses. The group index fell from 110.8 for the week of July 11 to 109.4 for the week of July 18. For the week of July 19, 1934, the index was 136.0.

Slightly higher prices for the base metals group caused this index to advance from 150.1 for the week of July 11 to 152.2 for the week ending July 18. In comparison with July 19, 1934, a drop of 9.7 points was noticed when the index was 161.9.

* * *

Market Soft

THE buying splurge which sent the junior golds upward late last week was short-lived for the market is again soft and gold stocks are continuing their downward course. As the chart below shows, the Dominion Bureau of Statistics index of mining stocks is at the lowest point touched since January of last year.

Senior golds continue to drift in the doldrums. With little liquidating and only scattered buying prices remain fairly steady.

Silver issues have been the exception to the rule displaying some activity as a result of continued reports from New York that the silver bloc plans a revival of its campaign for $1.29 silver. Nipissing and Eldorado both reacted favorably to the report.

Volume of trading has been light. In the absence of reports of an encouraging nature investors and speculators have been absenting themselves from the board rooms.

TO ENLARGE MILL AT PICKLE CROW LATE THIS YEAR

Substantial Profits Indicated — Loan Being Repaid

Production activities of Pickle Crow Gold Mines have yielded satisfactory results, an interim report accompanying the company's first annual report indicates.

Substantial profits from the operation are assured. Living up to its reputation of being the highest grade producer in the Dominion, average recovery per ton of ore milled amounted to $25.90 in the month of May and $22.75 in the month of June, gold taken at $35 an ounce.

Costs Low

Costs on the other hand were well below the estimate of $10 per ton. Operating costs for the month of May totalled only $5.82 per ton milled. A. G. Hattie, general manager, points out, however, that practically no development work was done during this month. Because of this average costs may be expected to exceed this figure, but will be well within the company's original estimate.

Milling Operations

Below are given the results of milling operations for May and June, 1935:

1935	Tons milled	Av. gold content	Recov. oz.	% recov.
May	3,737	27.85	2,771.84	93.213
June	4,139	24.27	2,693.93	93.881
	7,876		5,465.77	

Details of costs per ton for the month of May are as follows:

Development	$0.05
Mining	2.99
Ore sorting	.04
Milling	1.96
Camp maintenance	.44
Adminis. & gen., incl. insce.	.34
Total	$5.82

In reviewing milling operations John E. Hammell, president, states as follows: "The mill started turning over on April 17 and after feeding waste and low grade for about ten days, ore from the surface dump and chiefly from the 125-ft. level was fed to the mill. At our first clean-up, on May 31, we obtained approximately $103,000 worth of gold. During the following month, June, the mill production ran slightly over $95,000. These results I consider very good due to the fact that the majority of our ore to date is coming from our surface dump and from the 125-ft. level, both of which, from our assay averages, show considerably lower grade than the mine average as a whole. It will take several months to get the mine in shape so that our true average can be fed to the mill properly. A great deal of undue dilution takes place in the breaking down of backs and the placing of timbers. These early operations tend to make a great deal of fines and although we have a picking belt we cannot pick off these fines. When these operations are completed and mining gets on an established basis, I am positive that our grade will be at least an ounce per ton."

Loan Being Repaid

Due to delays and difficulties encountered in bringing the property into production it was necessary for Mr. Hammell to advance the company $170,000 in order to complete its programme, the annual report reveals. Mr. Hammell states that well over $100,000 of this is represented in supplies carried at the property for a year's period.

Since the property commenced producing gold the company has repaid to Mr. Hammell $82,000 to June 15 from shipments made to the Mint. It is expected that the full amount will be paid back by Aug. 1. At the same time the company's treasury is not being depleted and sufficient is being retained to carry on normal operations and have a small reserve, the report states.

Hope to Enlarge Mill

Announcement is also made that the company hopes to increase the mill capacity to 200 tons in the fall. The company plans an aggressive development campaign. Shaft sinking is already in progress and it is expected that three more levels will be opened up by late fall. Very little expense will be entailed in this increase of plant.

Ore Reserves

Details as to ore reserves are lacking although Mr. Hammell states that the company has three years' ore above the 375-ft. level and that drill holes indicate it at least 100 ft. below. Tonnages broken and hoisted as at June 30 are as follows:

	Ore Broken Tons	Tons Hoisted Ore	Tons Hoisted Waste	Tons Broken Underground
125-ft. level	3,528	2,973	352	203
250-ft. level	4,609	2,949	469	1,191
Mine total	8,137	5,922	821	1,394
Surface Ore dump	....	3,557	...	....
Total	8,137	9,479	821	1,394

For further details see under company reports on page 19.

Red Lake Gold Shores — Annual meeting of this company held in Toronto recently was routine nature with all reports adopted and directors re-elected for the ensuing year. Shareholders were told that ore reserves had been estimated at 13,000 oz., equivalent to $450,000, with the cost at about $6 per ton. Discussion of a mill has been postponed until the fall.

Ontario's Gold Production Higher In First Six Months

Increase in Number of Producers Reflected in Output Figures—Northwestern Ontario Shows Sharp Gain—June Output Up $343,000 Over May

Gold production in the month of June was approximately $343,000 higher than in the previous month and $900,000 higher than in the same month of 1934, the regular monthly bulletin of the Ontario Department of Mines shows.

During the past three months production has shown a steady increase, rising from $5,598,113 in April to $6,643,130 last month. During the first six months production has been higher than in the corresponding period of 1934.

Tonnage of ore milled in June totalled 590,329 tons as compared with 578,277 tons in the month of May and 516,731 tons in June, 1934.

Tonnage for the first six months of 1935 totalled 3,376,959 tons as compared with 3,045,815 in the first half of 1934.

A further sharp increase is shown in the output of mines in Northwestern Ontario. Production from mines in this area in the month of June had a value of $707,273 as compared with $500,948 in the previous month and $211,298 in June, 1934. Production in the first half of the year was more than double the output in the corresponding period of 1934.

Comparative figures for the first six months of 1934 and 1935 are given below:

Monthly Output of Ontario Mines

Source:	1935 Tons Milled	1935 Value $	1934 Tons Milled	1934 Value $
Porcupine Camp:				
January	320,676	2,461,881	302,580	2,513,247
February	283,067	2,448,888	275,105	2,692,955
March	316,822	2,619,756	299,220	2,726,532
April	307,257	2,547,885	293,068	2,848,257
May	312,618	2,895,836	302,875	3,000,977
June	319,525	2,868,292	301,020	2,545,566
Total	1,861,955	15,842,548	1,774,468	16,127,534
Kirkland Lake Camp:				
January	163,944	2,657,047	164,265	2,745,678
February	149,449	2,475,278	148,520	2,621,542
March	164,836	2,711,420	166,894	2,977,019
April	159,180	2,540,040	162,727	2,765,438
May	168,292	2,778,460	168,729	3,179,552
June	167,084	2,954,505	163,217	2,912,081
Total	972,785	16,114,750	974,352	17,201,310
Matachewan:				
January	20,964	97,016	3,688	36,043
February	21,877	93,750	3,274	34,242
March	23,752	105,058	3,648	39,344
April	24,929	111,568	3,601	36,478
May	26,164	128,948	3,610	37,466
June	25,761	113,060	3,582	38,928
Total	143,447	647,400	21,443	222,501
Northwestern Ontario:				
January	65,592	362,451	47,646	233,080
February	57,056	318,443	38,720	199,889
March	62,406	365,755	48,826	218,430
April	67,556	398,620	46,682	216,668
May	71,203	500,948	46,766	236,619
June	77,959	707,273	48,912	211,298
Total	398,772	2,653,490	275,552	1,315,984
Total for Ontario:				
January	568,176	5,578,395	518,179	5,528,048
February	513,439	5,336,369	463,619	5,548,628
March	567,816	5,801,989	518,588	5,961,325
April	558,922	5,598,113	506,678	5,666,841
May	578,277	6,300,192	522,020	6,454,614
June	590,329	6,643,130	516,731	5,707,873
Grand total	3,376,959	35,258,188	3,045,815	34,867,329

GABRIELLE MINES STOPS OPERATIONS OPTION CANCELLED

International Mining Co. Withdraws Financial Support

From Our Own Correspondent

WINNIPEG. — International Mining Corp. has dropped its option on Gabrielle Mines, according to an official announcement. This action was taken because of the inconclusive results obtained to date.

The sum of $30,000 has been expended in development of the property by International Mining Corp. since early in April of this year when an option was obtained on 1,000,000 shares of Gabrielle Mines stock. This amount was provided through the underwriting of 150,000 shares at 20 cents per share at the time that the option agreement was made. Under the terms of the option an additional 850,000 shares were to be taken at an average price of 40 cents per share.

While International Mining has decided to cancel its options due to inconclusive results. The Financial Post is informed that the report of their engineers is not unfavorable. Negotiations are already under way for finances from other sources and the company has received tentative suggestions from eastern interests, according to official advice.

Operations at the property have been suspended temporarily, but the mine is being kept free of water and a small crew kept on hand pending the outcome of negotiations for further funds.

DENTONIA MEET STORMY AFFAIR OFFICER UPHELD

From Our Own Correspondent

CALGARY.—The annual meeting of Dentonia Mines developed into a stormy affair as a result of a barrage of criticism levelled at Nelson S. Smith, the company's president, by George M. Bell, Calgary publisher and a retiring director of the company.

Mr. Bell in a statement to shareholders delivered a scathing indictment of the president's direction of the company's affairs and sought to have his statement incorporated as an amendment of the president's report. The proposal was voted down by 854,426 votes as against 394,919 votes, the management dominating the meeting through control of 600,-000 shares by proxy.

Especially severe criticism of Mr. Smith's conduct as trustee of the shares of the company belonging to Dentonia Mines Development Syndicate was made by Mr. Bell.

Elect New Directors

George M. Bell, J. J. O'Connor, Dr. A. G. Scott and R. B. Burland of Calgary; and Gordon Bell, Vancouver, were nominated for the new directorate but they withdrew their names leaving Nelson S. Smith, Olds, Alta.; C. H. Reed, C. E. Snyder, Major A. W. Davis, Kenneth Robinson of Vancouver; W. D. Spence, Edmonton and W. J. Maughan, Calgary, elected by acclamation.

Vancouver Brokers Sue

On the day following the meeting a statement of claim was filed in the Supreme Court at Calgary seeking $150,000 in damages from George M. Bell, J. J. O'Connor, Calgary solicitor; and E. A. Freeman, Calgary businessman.

The plantiffs are Vancouver brokerage firms. They are listed in the statement as Reed Henderson Ltd.; Reed Henderson and Vaux Ltd.; G. H. Burroughs, C. H. Reed and Gilbert John Vaux.

The plantiffs claim that the defendants "falsely and maliciously" wrote a letter concerning the plaintiffs to the shareholders of Dentonia Mines constituting libel.

At the Mines

Afton Mines—announces the resignation of W. B. McHenry from the board of directors and the election of Stuyvenant Fish for New York to replace him. Mr. Fish is a member of Callaway, Fish & Co. of New York and will represent the large New York interests in Afton. Mr. McHenry will remain as secretary-treasurer of the company.

* * *

Chromium Mining and Smelting Co.—will start smelting chromium ore from its Obonga Lake property at its new smelter in Sault Ste. Marie, Ont., next month, according to an official announcement. Alterations to the plant have been completed and the installation of new equipment commenced.

* * *

Coreless Patricia — This company plans sinking a shaft on its property in the Woman Lake sector of Patricia district. Surface exploration has revealed further extensions of the No. 5 vein disclosure which now has an indicated length of 2,760 feet.

* * *

Coniaurum Mines reports income from metals of $281,421 in the second quarter of the year as compared with $275,674 for the first quarter, Estimated operating profit for the period is $57,384, which, with non-operating profit, brought the total up to $65,105. Tonnage for the period was 37,875 tons as compared with 36,920 tons in the three months ended March 31.

* * *

Diana Gold Mines — For the 11 months ending June 30, this property in the Rice Lake area of Manitoba averaged about 38 tons daily and produced $141,000, the Financial Post is officially informed. It is stated that in starting an underhand stope below the main stope on the No. 1 vein on the 500-ft. level, ore was found with quartz over five feet in width and assaying $22.80 per ton.

* * *

Gilmour Gold Syndicate — A. A. Kenniger, syndicate manager, reports that the mill on the property in Hastings Co., south-eastern Ontario, has been completed and will house milling machinery of 100 tons daily capacity. Officials expect that the mill be ready to turn over within the next 40 days.

* * *

Harkness-Hays Gold Mines, near Schreiber, is putting the finishing touches on its mill. Production activities are scheduled to commence in the near future. Harkness-Hays will be the second producing mine in this area, North Shores Gold Mines has been in steady production for some time.

* * *

J. M. Consolidated—reports that a new body of ore has been located on the 375-ft. level. The new body, found on the north drift of the horizon, is taken for the downward extension of the vein at the north side of the shaft on the first two levels. Development of further ore to justify the installation of an enlarged milling plant is going ahead satisfactorily.

* * *

Maple Leaf Mines—Fraser Raney, secretary of this company, reports to The Financial Post that the annual meeting originally called for August 2 has, due to the illness of the president, been adjourned until August 9 at the King Edward Hotel in Toronto.

* * *

McIntyre-Porcupine Mines—Directors have announced the regular quarterly dividend of 50 cents per share payable in New York funds on Sept. 2 to shareholders of record on Aug. 1.

* * *

Nova Scotia Gold Mines—Dewatering operations at the Tangier property of this company is nearing completion and at the present time the shaft is being put into condition and cables for hoisting have arrived and are being installed. It is expected that the milling equipment will be ready for operation by the time hoisting of ore commences.

* * *

Clive Mines—has almost completed dewatering its mine at Mine Centre. Over a hundred samples have been taken from the underground workings and forwarded to Ottawa for sampling.

* * *

Matachewan Consolidated—Operations of Matachewan Consolidated showed marked improvement in the three months ended June 30. Income from production amounted to $90,656 as compared with $59,219 for the previous quarter. Operating profit was also up, being estimated at $28,800. In the three months ended March 31 operating profit was $5,333. Tonnage increased from 10,265 tons to 12,298 tons.

* * *

Reno Gold Mines—W. A. Sutton, secretary-treasurer, flatly denies rumors being circulated on the street to the effect that Reno's dividend is endangered. The rumors are without foundation, he says, pointing out that the company has working capital over and above dividend requirements.

HUDSON BAY M. & S. TO PAY DIVIDEND BONDS REDEEMED

$1,445,600 in Bonds Converted Into Common Stock

Hudson Bay Mining and Smelting Co., large Manitoba base metal producer, has entered the dividend-paying mine class with a declaration of 50 cents per share payable in Canadian funds on Aug. 31 to shareholders of record Aug. 9.

Declaration of the company's initial dividend followed immediately upon the heels of an announcement that the company has paid, or has funds on deposit with J. P. Morgan & Company with which to pay, the entire issue of bonds which matured on July 15. Of the principal amount outstanding as at Dec. 31 last, $1,-445,600 have been presented for conversion into common stock, leaving only $1,534,400 principal amount to be redeemed. On completion of the transaction the total number of shares issued and outstanding will be 2,757,973.

Dividend Surprises

While a dividend distribution involving the disbursement of $1,378,-987 was somewhat unexpected at this time it came as a pleasant surprise to shareholders, and was made possible through the conversion of approximately half the principal amount of bonds outstanding as at the end of 1934 into common stock. This left the company with large cash reserves and resulted in sharp improvement in its working capital position.

The dividend also reflects higher profits in the current year as a result of the rise in the price of silver and of zinc. The strengthening of copper prices also aided the company.

Earning Position Improves

In 1934 the company earned 31 cents per share on its common stock after all charges. In the current year earnings per share should be considerably higher despite the increase in the number of shares outstanding. The company's earning position has been substantially bettered by the redemption of its bonds. This will result in considerable saving in interest charges. In 1934 bond interest amounted to $247,795 and in 1933 to $299,937.

INTER. MINING CO. EQUITY PER SHARE SHOWN AT $22.51

Net Asset Position as at June 30, 1935, Shows Improvement

Further improvement in the net asset position of International Mining Corp., world wide prospecting, exploration and holding company, is shown by an official statement issued over the signature of K. F. Hoffmann, vice-president, showing assets as at June 30, 1935.

During 1933 and 1934 the equity behind International Mining Corp. shares showed almost continuous appreciation due to the rise in the market value of mining securities. From Jan. 1, 1933, to Dec. 31, 1934, the net asset value per common share in the hands of the public rose from $7.72 to $21.65. The statement of assets as at June 30 last indicates that improvement in the company's business is continuing, the net asset value as at that date being $9,008,770, an increase of $348,000 since the first of the year. This is equivalent to $22.51 per share. Assets listed or quoted on stock exchanges are valued at market quotations and those not listed or quoted valued at cost and reserve of $200,000 for possible losses in mining ventures.

As of June 30, 1935, there were outstanding in the hands of the public purchase warrants entitling the holder to purchase 525,709 shares of common stock at $10 per share on or before Sept. 1, 1939. If all of these warrants had been exercised on June 30, 1935, the corporation would have received $5,257,090 additional capital. The number of common shares then outstanding would have been 925,749 and the net asset value at June 30 last would have been $15.51 per share.

Net assets as shown in the quarterly report include cash and accounts receivable, less payables and reserves for contingencies, and investments in listed or quoted securities of $7,698,042. This is equivalent to 85.45 per cent of the total net assets. Investments in unlisted mining stocks and in mining ventures, figured at cost, and in subsidiary companies, less reserve for possible losses, total $1,304,707, or 14.48 per cent of the total net assets. Furniture and fixtures and deferred assets are placed at $6,021.

THREE NEW WELLS IN TURNER VALLEY NEAR PRODUCTION

Colony Oil & Gas No. 1 Well Has Record Gas Flow

From Our Own Correspondent

CALGARY.—Two new wells will be drilled at once on different structures in Alberta in an endeavor to locate a crude oil pool or to prove a naphtha producing field comparable to Turner Valley.

Moose Dome No. 2 has actually been started on the Moose Dome structure, 40 miles due west of Calgary in the Bragg Creek area. Rotary equipment is being installed on the Majestic structure in the southern part of the province near the town of Taber by Plains Petroleum for a test of that area.

The new Moose Dome well will be watched with considerable interest because of the fact that extensive oil and gas showings were obtained in the No. 1 well before drilling was stopped and the well abandoned as a result of the lost tools in the hole.

Model Oils Interested

Model Oils, a Turner Valley company, is interested in the Moose Dome test as Model holds 1,930 acres on the structure. According to W. C. Fisher, president, the company will drill a well at Moose Dome when Model No. 3 in Turner Valley is completed if conditions revealed at the Moose Oil well in the meantime are favorable.

Colony Oil as Big Strike

Remarkable news has been received from the Lloydminster field concerning the No. 1 well of the Colony Oil and Gas Co., located on the Saskatchewan side of the Alberta boundary. At an official test the well revealed a capacity of more than 50,000,000 cubic feet of gas daily, making it the largest gas well in the Dominion. At the first test the mercury was blown out of the tester which in itself, was an indication that a large strike had been made.

In Turner Valley, three wells are in the spotlight, Renfrew Royalty No. 1, British Dominion and Union-Freehold. All three are on the last lap to production.

Renfrew Royalty Well

At the Renfrew well the string of eight inch casing is being run to a depth of 5,540 feet and everything is being made ready for the short run to the limestone—about 300 ft.

At British Dominion, six-inch casing has been cemented on top of the limestone and drilling in the porous horizon will be resumed when the cement has hardened sufficiently.

At Union-Freehold a long and tedious fishing job for some lost tools was still in progress at last report. This well has been drilled down to the limestone and drilling will be resumed as soon as the lost drill rods are recovered.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

Current Chatter from Manitoba

WINNIPEG.—Falcon Gold Mines is meeting with considerable success in the development of its property on Falcon Lake, 90 miles east of Winnipeg and only four miles off the Trans-Canada highway. Good values in gold have been obtained from several veins and there are also indications of platinum. Veins have been stripped, trenched and sampled.

* * *

Acquires Bailor Mines' Property

The Sixty-Two Syndicate Ltd. has been incorporated with a Manitoba charter to take over the properties formerly held by Bailor Mines. The new company has an authorized capitalization of 100,000 shares, no par value, of which 1,250 shares have been issued for the Bailor Mines' property. The Sixty-Two Syndicate has also taken an option on the Goldstone group in Central Manitoba. A shallow diamond drilling programme is to be carried out on this property.

* * *

Granville Lake Area

Substantial development at Granville Lake, 120 miles north of Cold Lake, is looked for in the near future. Durie and Akers, of God's Lake fame, are in Winnipeg negotiating for finances. The property, which has already been examined by the engineers of an important mining group, comprises 32 claims.

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
68 King St. East, Toronto, Can.

WE MAINTAIN ACTIVE TRADING DEPARTMENTS SPECIALIZING IN LISTED AND UNLISTED CANADIAN MINING AND INDUSTRIAL SECURITIES.
Our statistical Staff would be pleased to answer inquiries regarding all classes of securities
F. J. CRAWFORD & CO.
Members
Toronto Stock Exchange
Winnipeg Grain Exchange
Canadian Commodity Exchange Inc.
11 Jordan St. — Toronto
ELgin 2201

J. E. Grasett & Co.
Members
The Toronto Stock Exchange
302 Bay St.
TORONTO
WAverley 4781
Branch Office:
Dundas & Keele Sts.
Ju. 1167

JACKSON BROS.
GRAIN COMPANY LIMITED
HURON & ERIE BLDG. — WINNIPEG
STOCK EXCHANGE BLDG. — VANCOUVER
STOCKS — BONDS — GRAIN
Members Winnipeg Grain Exchange — Winnipeg Stock Exchange
Vancouver Stock Exchange — Canadian Commodity Exchange.
Orders executed over private wire on
NEW YORK - MONTREAL - TORONTO - VANCOUVER

You'll Enjoy Your Stay at Detroit's Newest Downtown Hotel
THE DETROIT-LELAND
Rates from $2.50 Every Room With Bath
Beautiful lounges, large outside rooms and friendly service will make your visit a most pleasant one.
Conveniently located at Cass and Bagley Avenues close to theatres, stores and business districts.
Ample parking space — Garage in connection.
"Famous for Moderately Priced Fine Food"

Company Earnings Reports

Fraser Companies

Improvement in earnings and working capital for the six months ended June 30, is reported by K. S. Maclachlan, president and general manager of Fraser Companies, in a letter to bondholders. Net profits shown below are after deducting all bank and bond interest paid and accrued. Working capital, says Mr. Maclachlan, does not permit payment of interest due July 1, 1935. Under the plan of reorganization, it is deferred and becomes payable over five years from July 1, 1940. While improvement in operating results and working capital has continued, Mr. Maclachlan states that volume remains unsatisfactory and prevents more substantial improvement. Emphasizing the company's need for more working capital, Mr. Maclachlan points out that bondholders may take common shares in lieu of bond interest. The exchange, he says, would strengthen efforts to rehabilitate the company by keeping fixed charges low in coming years.

Profit and Loss Account
Six Months Ended June 30

	1935 $	1934 $
Gross earnings	897,915	839,760
Net profits	300,232	248,083
Balance Sheet Items		
Net working cap.	1,859,645	1,078,655
Bank loans	4,072,000	4,362,000

Transportation Building

Transporation Building Co., Montreal, lost ground in the year ended April 30, 1935. Despite appropriation of $5,673 to reserve for bad debts, the total reserve was written down to $11,626 from $15,904. Directors' fees were barely earned. Bond interest is charged into the deficit although it is not being paid. Higher rentals and occupancy are necessary to enable payment of bond interest.

Income and Surplus Account
Year Ended April 30

	1935 $	1934 $
Profit on oper.	533	23,413
Less: Res. for b. debts	5,673	15,904
Bond interest	41,279	41,279
Directors' fees	445	......
Loss for year	46,864	33,770
Add: Prev. deficit	34,838	16,888
Less: Prov. for int. on inc. deb. reversed	......	15,820
Deficit forward	81,702	34,838
Working Capital		
Current assets	16,874	25,518
Current liabilities	15,797	18,404
Working capital	1,077	7,114

National Biscuit

National Biscuit Co. reports net profit of $2,385,318, equivalent after preferred dividends to 31 cents on the outstanding common stock. This compares with $1,848,565, or 22 cents in the previous quarter, and with $3,198,231 in the June quarter of 1934.

For the first half of this year net profit amounted to $4,233,883 compared with $6,264,851 in the corresponding period of last year. Comparative common share earnings are 53 cents this year as against 86 cents in 1934.

I. P. of Newfoundland

Earning power of International Power and Paper Co. of Newfoundland recorded a decline in 1934, largely due to the smaller premium on exchange received by the company. Net sales were off by less than $200,000 but economies in other directions enabled the company to show an operating profit of about $300,000 more than in 1933. Earnings available for fixed charges totalled $1,039,650, compared with $1,217,170 for the previous year. Interest requirements of the 5 per cent first mortgage bonds were $243,300 and debentures and other interest took another $1,055,872.

During the year, funded debt to the equivalent of $134,389 was retired and debt to affiliated companies was reduced by $898,667, but the secured bank loan increased by $950,000.

Income and Surplus Account
Years Ended Dec. 31

	1934 $	1933 $
Net sales	6,383,018	6,757,851
Cost of sales and exp.	4,679,115	5,352,026
Gross oper. profit	1,703,903	1,405,825
Less: Loss on exch.	59,360	*436,375
Depreciation	604,893	625,026
Int. on 1st mtge. bds.	243,300	243,300
Deb. & other int.	1,055,872	1,139,272
Bond discount	3,648	3,648
Deficit	263,169	169,046
Previous surplus	3,333,283	3,502,329
Surplus carried for'd	3,070,114	3,333,283

*Credit.

Mersey Paper

Lower selling price for newsprint paper resulted in a decline in the earning power of Mersey Paper Co. for the past year. Gross profits in 1934 totalled $652,503, as against $881,025 in the previous twelve months. After taking care of funded debt charges, there was a balance of $255,461 which was transferred to depreciation and depletion reserve. In the previous year, $477,457 was credited to reserve.

The balance sheet shows an excess of current liabilities over current assets amounting to $2.9 millions at the end of 1934. This is a slight improvement over that reported for 1933. The adverse working capital reflects bank loans incurred by the company in order to complete the enterprise. Owing to the collapse of the financial market, these loans have never been capitalized, and at present are secured by first mortgage bonds.

Income and Surplus Account
Years Ending Dec. 31

	1934 $	1933 $
Gross profits	652,503	881,025
Less: Int. on bonds & loans	397,042	403,568
Depreciation	255,461	477,457
Balance	......	......
Working Capital		
Current assets	1,634,507	1,517,798
Current liabs.	4,545,600	4,456,513
Working capital	*2,911,093	*2,938,715

*Excess of current liabilities over current assets.

Pacific Mills

Net profits of Pacific Mills Ltd., British Columbia paper manufacturing concern controlled by Crown Williamette amount to $210,454 for the year ended April 30, 1935. This compares with $182,808 for the preceding year. These figures are after all charges for depreciation, depletion, bond interest and income tax.

Shareholders are advised by the president that the company has elected to redeem all of the outstanding first mortgage 6 per cent serial gold bonds on next interest date, August 1, 1935. The company redeemed $200,000 of these bonds during the last fiscal year, leaving $1,124,550 to be redeemed on August 1. The amount required to effect the redemption, is included in the balance sheet at April 30, 1935, as a current liability. Payment of these bonds which will be made in cash and the proceeds from the sale of government securities, will effect a saving of interest charges to the company.

Spruce Falls Power & Paper Co.

Spruce Falls Power & Paper Co. in fiscal year ended April 30, 1934, made a gross profit of $759,567 after depreciation on net sales of $4.8 millions. Net income of $354,775 failed by $255,050 of being enough to meet bond interest and taxes but this was an improvement as compared with net loss of $419,023 in 1934.

Working capital is lower. Inventories went up from $773,310 to $961,533 and advances and expenses on woods operations from $838,552 to $930,384. This entailed increase in bank loans from $1.1 to $1.6 millions, the main reason for lower working capital. Funded debt was reduced to $10 millions by $1 million.

Income and Surplus Account
Years Ended April 30

	1935 $	1934 $
Net oper. income	354,775	241,989
Less: Bond interest	586,667	641,667
Provincial corp. taxes	23,158	19,345
Loss for year	255,050	419,023
Add: Prev. deficit	414,304	*4,718
Oper. def. forward	669,354	414,305

* Surplus.

Working Capital

	1935 $	1934 $
Current assets	2,455,352	2,216,930
Current liabs.	2,244,375	1,737,900
Working capital	210,977	1,479,030
Ratio	1.09	1,28—1

Rogers Majestic

With sales much higher, Rogers Majestic Corp. in the year ended March 31, 1935, had a profit of $1,807 as compared with a loss of $146,551 after depreciation and taxes and reserve for bad debts in the preceding year. The working capital position is much stronger and balance sheet shows improvement in all sections. The deficit carried forward now stands at $119,766.

Income and Surplus Account
Years Ended March 31

	1935 $	1934 $
Sales and other rev.	2,677,545	......
Less: Cost of sales	1,837,068	......
Expenses	789,774	......
Sinking fund	5,000	......
Net operating profit	45,703	9,142
Less: Depreciation	41,940	75,544
Bad debts reserve	......	75,735
Inc. and capital taxes	*1,956	2,252
Int. on investments	......	4,089
Net profit	1,807	†146,551
Add: Previous surplus	121,573	44,191
Less: Organ. exps. w/o	......	16,274
Sundry adjustments	......	2,938
Deficit forward	119,766	121,572

*Includes estimated provincial and Dominion taxes of $826, incorporation expense of De Forest Crosley, Limited, $359 and incorporation expense of Rogers Radio Broadcasting Co. Ltd., $657, direct expenditures not chargeable against operations.
†Loss.
Note:—No payments were made to directors as fees.

Working Capital

	1935 $	1934 $
Current assets	1,184,703	1,040,249
Current liabilities	180,916	366,758
Working capital	1,003,787	673,491
Ratio	6.54—1	2.84—1

Howe Sound Co.

Improvement in the prices of base metals and increased sales of copper and zinc are reflected in the quarterly report of Howe Sound Co. for the three months ended June 30, the value of metals sold being 40 per cent higher than in the first quarter of the year and nine per cent higher than in the corresponding period of 1934.

Net profit for the period, while substantially higher than in the first quarter, was the same as in the second quarter of 1934, being equivalent to $1.10 per share. Net profit in the first three months of 1935 was 82 cents per share.

Profits for the first six months of 1935 were lower than in the first half of 1934, amounting to $1.92 in the current year as against $2.13 in 1934.

Comparative figures are given below:

Quarterly Statement
Quarter Ended

	2nd qu. 1935 $	1st qu. 1935 $
Val. of metals sold	3,070,782	2,191,027
Operating costs	2,649,071	1,876,990
Operating profit	421,711	314,037
Add: Misc. income	165,209	140,068
Total income	586,920	454,105
Less: Depreciation	65,088	64,346
Net profit	521,832	389,759
Earnings Per Share	$1.10	$0.82
Dividends paid	$0.75	$0.75

Production:
Metals sold during the quarters ended June 30, 1935, and March 31, 1935, are shown as follows:

	2nd qu. 1935	1st qu. 1935
Gold, oz.	2,437	2,589
Silver, oz.	1,053,818	1,098,438
Copper, lb.	3,739,342	3,181,170
Lead, lb.	29,987,540	31,971,242
Zinc, lb.	38,493,996	20,931,106

Model Oils Ltd.

Net profit of Model Oils Ltd. for the year ended May 31, 1935, was slightly lower than in the previous fiscal year, amounting to 2.8 cents per share as compared with four cents per share in the year ended May 31, 1934.

Working capital at the end of the fiscal year also shows a reduction, amounting to $99,553 as compared with $110,223 in the previous year. This reduction is due to the payment of dividends totalling six cents per share which were only partially earned.

Income and Surplus Account
Years Ended May 31

	1935 $	1934 $
Revenue from oil sale	144,447	119,878
Less: Royalties	25,538	......
Production expense	12,998	10,214
Oper. revenue (net)	105,916	109,664
Add: Transfer fees	132	186
Interest received	2,189	2,950
	108,237	112,790
Less: Office expenses	11,551	11,900
Insurance	1,053	1,294
Taxes	968	960
Dom. income tax	4,543	5,621
Provincial inc. tax	1,692	2,303
Legal & audit fees	1,053	965
Travelling exps.	1,254	485
Directors' fees	2,880	2,880
Lease rentals	580	1,089
Workmen's comp.	242	56
Divid. & annual meet. exp.	1,236	586
Misc. exps.	167	1,001
	81,018	83,660
Less: Int. on def. liab.	5,966	......
Depreciation	22,870	20,199
Depletion	28,704	27,416
Net profit	23,472	36,045
Less dividends	54,481	24,614
Surplus for year	*31,009	11,431
Add: Prev. surplus	63,635	52,775
Profit on sale of bds.	454	......
Less 1932 prov. inc. tax	......	571
Balance forward	33,079	63,635

*Deficit.

Earnings per Share & Dividend Record—		
Earned	$0.03	$0.04
Paid	0.06	0.03

Working Capital
As at May 31

	1935 $	1934 $
Current assets	107,056	120,128
Current liabs.	7,503	9,905
Working capital	99,553	110,223

Premier Border Gold

Premier Border Gold Mining Co. in its first report in several years, reports $293 cash as at Dec. 31 last as against sundry liabilities of $63. In addition, however, the company had marketable securities which are carried at a cost of $7,482. These were $5,000 principal amount of Shawinigan Water & Power Co. bonds and 2,000 shares of Premier Gold Mining Shares.

Development account now totals $145,455.

During 1934 the Consolidated Mining and Smelting Co. purchased the company's machinery and equipment for a consideration of $2,875. By accepting this offer the company found it possible to do without insurance on the property and to dispense with the services of a caretaker. The buildings at the mine have been leased to the former caretaker.

The Shawinigan Water and Power bonds held by the company were redeemed on April 1, 1935. James Edelston, vice-president, states that it is the opinion of directors that the funds to be realized by the redemption of these bonds might be used to advantage in the acquisition of some promising mining operations.

Graham Bousquet Mines

Announcement is made in the annual report of Graham Bousquet Gold Mines, formed in May, 1934, to acquire Graham Bousquet Mining Corp., that directors believe that a considerable amount of money would be required to open up the property in Bousquet twp. and determine its possibilities. In view of the relatively limited amount of funds in the company's treasury, approximately $40,000 at the end of 1934, directors do not feel that they are justified in undertaking further work at this time.

Since the beginning of the year a portion of the company's funds have been used to purchase other Canadian mining stocks and the company has joined in a prospecting venture for the current season.

Receipts and Disbursements
May 15, 1934 to Dec. 31, 1934

	$
Receipts:	
Graham Bousquet Mining Corp.	47,174
Proceeds from stock sale	9,005
	56,179
Disbursements:	
Accounts payable May 15, 1934	1,800
Registration fees	105
Bldgs. improvements & equip.	435
Explor. & develop.	8,449
Head Office & admin.	*1,467
Incorporation exps.	1,406
	13,661
Cash in banks Dec. 31, 1934	42,518
	56,179

*After deduction of $632 interest revenue.

Working Capital
As at December 31, 1934

	$
Current assets	42,518
Current liabilities	842
Working capital	41,676

Pickle Crow Gold Mines

Development expenditures and general expenses of Pickle Crow Gold Mines in 1934 totalled $140,275, the company's first annual report shows.

A deficit in working capital account of $39,163 is shown by the balance sheet as at Dec. 31 last. Current assets total $56,419 as against current liabilities of $95,582. Included in the latter are notes and accounts payable of $91,942. Miscellaneous supplies including construction equipment carried at a book value of $98,300 is not included in current assets.

Deferred charges total $92,726, the major items being deposit on power contract of $40,000, share of marine railway construction $33,333.

Below is given the statement of development and general expenses of the company from Jan. 13, 1934, to Dec. 31, 1934.

Devel. Expenditure and Expenses
Period from Jan. 13 to Dec. 31, 1934

	$
Development Expenses:	
Diamond drilling	8,237
Shaft sinking	1,548
Drifting	82,055
Crosscutting	5,380
Raising	7,732
Stations and pumps	1,836
Land clearing	3,669
Workmen's compensation	1,689
Camp maintenance	10,689
Insurance	3,953
Mine superintendent—bonus	1,000
Miscellaneous	523
Surface prospecting	28
	128,339
General Expenses:	
Office salaries	4,337
Office rent	760
Printing and stationery	819
Telephone and telegraph	463
Postage	168
Trustees' and registrars' fees	1,787
Legal, audit and acct. expense	687
Exp. of listing shs., Toronto & Montreal Exch.	600
Travelling expenses	927
Advertising and publicity	854
Engineers' fees	188
Interest and bank charges	55
Taxes and fees	62
Miscellaneous	229
	11,936
Less: Bank interest	3,801
Balance trans. to bal. sheet	136,474

Working Capital
As at December 31, 1934

	$
Current assets	56,419
Current liabilities	95,582
Working capital deficit	39,163

We have been asked:

WHAT'S AHEAD OF ROSEDALE?

The best answer to this question on the outlook for Rosedale Gold Mines, Limited is, we believe, the following memorandum on production and earnings:

PRODUCTION	EARNINGS
Rosedale's new cyanide mill is now handling approximately 50 tons per day.	From this production, earnings are sufficient to pay a 1% dividend every other month—six dividends a year.
IN A FEW WEEKS — the mill will be operating at the rate of 75 tons daily.	From this output, earnings would permit the company to pay extra dividends from time to time or carry the surplus forward to reserve.
IN LESS THAN A YEAR— it is anticipated that operations will have been stepped up to full mill capacity of 100-125 tons per day.	This rate of production should definitely enable the company to establish the dividend on a higher scale or pay substantial extras.

1% DIVIDEND ON AUGUST 1st.

The striking earnings position of Rosedale Gold Mines, Limited is due, primarily, to the fact that Rosedale is a low cost mine. With mill heads of approximtely $8.50 per ton and production costs of around $2.00 to $2.50 per ton, the margin of net profit is substantial.

Rosedale Gold Mines, Limited, has declared a dividend of 1% for payment on August 1st, 1935. On the basis of the present dividend rate, the yield to the investor, at the current price of 75 cents per share, is 8%.

We consider that the shares of Rosedale Gold Mines, Limited are a desirable gold mine investment, combining satisfactory present dividend return and an opportunity for higher dividends or extras. This trend, in turn, should be reflected in higher prices for Rosedale shares.

If you are interested in a gold mine investment of type, we suggest that you obtain a copy of the circular descriptive of this attractive mining security.

BONDED CORPORATION LIMITED
85 Richmond Street, West, Toronto
ADelaide 7400-8-9

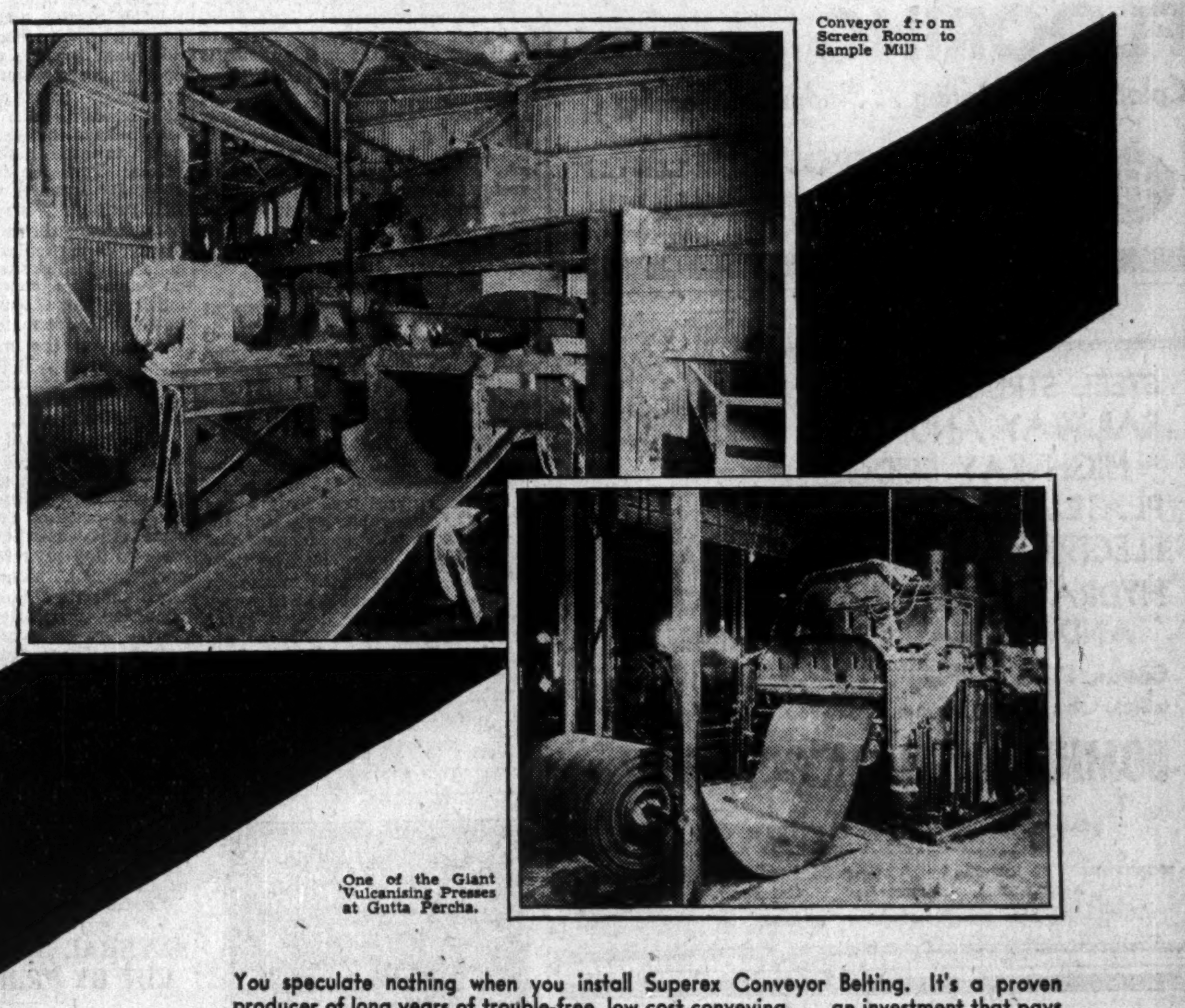
Without obligation, send me circular on Rosedale Gold Mines; Limited.
Name ....
Address ....

Beattie Gold Mines — This company reports income from metals of $369,805 for the three months ended June 30. Operating profit is estimated at $131,762. Non-operating profit brought the total to $133,442. This compares with an estimated profit of $112,999 in the previous quarter. Some 99,200 tons of ore were milled as against 98,900 in the three months ended March 31.

Lake Shore Mines—For the three months ended June 30, the last quarter of the company's fiscal year, a production of $2,441,075 is reported as compared with $2,344,000 in the three months ended March 31, 1935. Mill tonnage amounted to 207,484 tons, an increase from the third quarter when tonnage treated was 205,502 tons. Average recovery for the period was $11.74 as against $11.40 in the last quarter.

A PROVEN PRODUCER

Conveyor from Screen Room to Sample Mill



One of the Giant Vulcanising Presses at Gutta Percha.

You speculate nothing when you install Superex Conveyor Belting. It's a proven producer of long years of trouble-free, low cost conveying . . . an investment that pays dividends from first cost to last load.

This belting is designed and constructed expressly to meet the severe conditions found in mining service. The plies of specially woven duck are firmly bonded with high quality compound, the cover is of extremely tough abrasion-resisting stock, the convex edges are specially moulded and strengthened, the back reinforced against wear from concentrating idlers.

Superex is the belting to solve your conveying problems. Recommendations and quotations will be gladly and promptly submitted.

"SUPEREX" CONVEYOR BELTING
MADE BY
GUTTA PERCHA & RUBBER, LIMITED
HEAD OFFICE: TORONTO, Canada — Branches from Coast to Coast
The Largest All-Canadian Rubber Company — Founded in 1883

Mining Stock Quotations

Week Ending July 22

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close July 15 (or last)	High for week	Low for week	Close July 22
1	.74	.38	Afton	80,950	.70½	.73	.64	.69½
No	.11	.04	Aldermac	5,000	.04½	.04½	.04½	.04½
1	.02½	.01	Alexandria	2,500	.01	.01½	.01	.01½
No	.57	.40	Algold	1,300	.49	.50	.50	.50
No	.08½	.02½	Algoma	10,500	.03½	.03½	.03½	.03½
No	4.50	3.70	Anglo-Huronian	145	4.00	4.00	3.90	4.00
No	.04	.01½	Arno	......	.02½	.....	.....	.....
1	.32	.09	Ashley	4,800	.10	.12	.10½	.12
1	.08	.02½	Astoria Rouyn	30,100	.04½	.05½	.04	.05½
1	.14	.03½	Bagamac	14,200	.04	.04	.03½	.03½
1	.08	.02½	Barry Hollinger	6,200	.04½	.05	.04	.04
1	.94	.39	Base Metals	21,180	.65	.75	.66	.72
1	.69	.14	B.E.A.R.	197,650	.57	.67½	.56	.66½
No	2.16	1.27	Beattie Gold	3,050	1.40	1.56	1.35	1.50
1	.75	.30	Big Missouri	9,160	.55	.56	.52	.54
1	.38	.18	Bobjo	46,200	.18	.22	.18	.20½
1	2.95	1.50	Bradian	200	1.65	1.92	1.91	1.91
No	12.50	4.30	Bralorne	1,118	4.45	5.00	4.50	4.95
1	.61	.20	Brazil Gold	9,300	.52	.53	.48	.48
1	.03	.01½	Brett Trethewey	......	.01½	.....	.....	.....
50c.	.24	.07	Bridge River Ex.	250	.07½	.08	.08	.08
1	.03	.01	Brownlee	3,000	.01	.01½	.01	.01½
1	3.50	2.50	Buffalo Ankerite	1,950	2.70	2.78	2.60	2.78
No	.03½	.01½	Buffalo Can.	2,000	.01½	.01½	.01½	.01½
5	38.15	33.75	Bulolo Gold	1,440	35.00	35.50	35.00	35.00
No	.07½	.03	Bunker Hill	11,500	.06½	.07½	.06½	.07½
No	.02	.01½	Canam Metals	......	.01½	.....	.....	.....
1	.03½	.01	Can. Kirkland	2,400	.01½	.01½	.01½	.01½
No	.75	.54	Can. Malartic	6,870	.64	.65	.61	.62
1	1.50	.95	Cariboo Gold	700	.95	1.08	.95	1.05
1	.05½	.02	Cartier Malartic	2,000	.02½	.03	.02½	.02½
1	1.34	.55	Castle Trethewey	8,650	1.04	1.05	1.03	1.03
1	.07½	.02½	Con. Manitoba	3,500	.04	.04	.03½	.04
1	1.79	1.12	Cen. Patricia	39,920	1.68	1.79	1.67	1.70
No	.27	.08	Chibougamau Pros.	27,500	.17½	.18	.17	.17
No	.06	.03	Church M. & Mill.	5,600	.04½	.06	.04½	.06
No	.08	.02	Clericy	4,850	.03	.03	.02½	.03
5	3.25	1.50	Coast Copper	200	1.95	2.00	2.00	2.00
1	.08	.01½	Cobalt Contact	7,500	.02½	.02½	.02	.02
No	.15	.02½	Columario	......	.02½	.....	.....	.....
5	3.60	2.25	Coniagas	400	2.85	2.60	2.60	2.60
No	2.60	1.35	Coniaurum	2,565	1.60	1.67	1.60	1.60
25	184.75	125.50	Cons. Smelters	993	162.00	167.00	159.50	167.00
No	44.00	34.50	Dome Mines	835	38.25	38.25	37.50	37.75
1	.10	.04	Dom. Explorers	500	.04½	.04½	.04½	.04½
1	.02½	.00½	Dominion Kirk.	......	.00½	.....	.....	.....
1	.17½	.08½	Duparquet	73,150	.10½	.11	.10	.11
1	2.93	1.02	Eldorado	15,510	1.76	1.87	1.76	1.86
No	4.10	3.25	Falconbridge	11,450	3.84	3.85	3.75	3.81
1	.04½	.02	Federal	500	.02	.02½	.02½	.02½
No	.16½	.05	Francoeur Gold	1,700	.05	.08	.07	.08
1	.37	.31	Franklin Gold	50,300	.32	.37	.31½	.35
1	.45	.10	Gabrielle	1,500	.15	.28	.20	.28
No	.03½	.01½	Gilbec	4,000	.01½	.01½	.01½	.01½
No	2.24	1.24	God's Lake	53,964	1.59	1.78	1.59	1.67
1	.20	.11	Goldale	12,000	.11½	.14	.11½	.13½
50c	.46	.25	Gold Belt	......	.28	.....	.....	.....
10	.19	.10	Goldfield	......	.15	.....	.....	.....
1	.15	.04	Goodfish	3,100	.07	.07	.06½	.07
1	.07	.02	Graham Bosquet	10,500	.04	.03½	.02	.02½
1	.40	.17	Granada Gold	19,032	.21	.25½	.20	.23
No	.12	.05½	Grandora	500	.05½	.06½	.06½	.06½
1	.45	.17	Greene Stabell	3,900	.22	.23	.21	.22
1	.05	.02½	Groselle	......	.02½	.....	.....	.....
1	.10	.05	Grull Wihksne	......	.05½	.....	.....	.....
1	.97	.48	Gunnar Gold	55,410	.68½	.76	.68	.76
1	.08½	.02	Halcrow Swayze	1,000	.02	.02	.02	.02
1	.10	.04	Harker	5,900	.04½	.06	.05	.05½
5	20.25	12.70	Hollinger	11,792	13.90	13.85	12.70	13.00
1	1.10	.65	Howey Gold	52,700	.71	.72	.65	.70
No	16.00	11.50	Hudson Bay	2,970	15.37	15.75	15.00	15.00
1	15.35	12.25	Inter. Mining	......	12.25	.....	.....	.....
1	6.50	5.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	29.12	22.25	Int. Nickel	8,661	27.50	27.62	26.37	27.37
100	130.75	125.00	Int. Nickel, pref.	......	125.00	.....	.....	.....
1	.20	.11	J. M. Cons. Gold	86,110	.17½	.19½	.17½	.18
1	.75	.65	Kerr Lake	100	.70	.65	.65	.65
1	.31	.22	Kirk. Hud. Bay	500	.25	.23	.23	.23
1	.01½	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.65	.33½	Kirkland Lake	17,450	.42½	.46	.39	.42
1	.33½	.15	Kirk. Townsite	100	.15	.15	.15	.15
No	.07	.03	Lake Maron	11,500	.03	.03½	.03½	.03½
1	58.00	48.75	Lake Shore	1,842	50.50	51.25	50.00	50.25
1	.08	.03	Lamaque Contact	8,000	.03	.03	.03	.03
1	.09½	.03½	Lebel Oro	25,100	.04½	.05½	.04	.04
1	.08	.02½	Lee Gold	16,100	.04½	.04½	.04	.04
No	7.25	4.50	Little Long Lac	8,940	4.00	4.75	4.50	4.65
1	2.75	1.52	Macassa	9,435	1.61	1.65	1.55	1.58
1	.03	.00½	Malrobic	4,000	.00½	.00½	.00½	.00½
No	.10	.06	Mandy	......	.08	.....	.....	.....
No	.12½	.03	Man. & Eastern	4,500	.04½	.05	.04½	.04½
1	.14	.03	Maple Leaf	46,500	.03	.03½	.03	.03
5	46.00	37.00	McIntyre	1,355	41.00	40.25	38.75	38.75
1	1.45	1.06	McKenzie R.L.	39,600	1.16	1.35	1.10	1.31
1	.70	.60	McKinley	......	.63	.....	.....	.....
1	.46½	.13½	McMillan	20,050	.14	.18	.13½	.16
No	2.15	.45	McWatters	19,000	1.15	1.30	1.18	1.23
1	.40	.10	McVittie	2,900	.13	.14	.12	.12½
No	1.50	.85	Mining Corp.	1,650	1.45	1.45	1.40	1.43
No	.21	.07½	Minto Mines	......	.08	.....	.....	.....
1	.04	.01	Moffatt Hall	2,000	.01½	.01½	.01½	.01½
1	.16	.09	Moneta	500	.09	.09½	.09½	.09½
1	.72	.47	Morris Kirkland	7,500	.68	.70	.67½	.68½
1	.01½	.00½	Murphy	4,000	.00½	.00½	.00½	.00½
No	.04	.01½	Newbec	2,000	.01½	.01½	.01½	.01½
1	.04½	.00½	Night-Hawk Penn.	5,500	.01½	.01	.01	.01
5	2.95	2.10	Nipissing	1,783	2.20	2.40	2.15	2.40
No	43.00	31.00	Noranda	9,087	37.25	38.00	37.50	38.00
No	.31	.16	Nor. Canada	700	.20	.20	.17	.17
1	.75	.30	O'Brien	4,200	.37	.37	.35	.37
1	.10	.05	Osisko	......	.06	.....	.....	.....
1	.32	.18	Parkhill	6,800	.21	.21	.19	.20
1	.04½	.01	Pawnee Kirk.	10,000	.03	.02½	.02½	.02½
1	.30½	.16	Paymaster	27,617	.27	.28	.26	.27
1	.84	.40	Pend Oreille	5,880	.51	.61	.53	.61
1	.83	.59	Perron Gold	8,350	.65	.64	.59	.60
1	.09½	.01½	Peterson Cobalt	12,700	.03½	.04½	.03½	.04½
1	2.96	2.10	Pickle Crow	18,471	2.18	2.37	2.16	2.33
1	12.25	9.00	Pioneer Gold B.C.	4,245	9.00	10.15	9.50	10.15
1	.06	.03	Porcupine Crown	5,500	.04½	.04½	.04½	.04½
1	.01½	.00½	Potter Doal	......	.01	.....	.....	.....
1	2.05	1.41	Premier Gold	6,800	1.44	1.45	1.41	1.41
1	.02½	.01	Preston E. Dome	1,500	.01½	.01½	.01½	.01½
No	3.05	1.25	Prospectors Air's	1,000	1.37	1.50	1.42	1.42
1	.80	.09½	Quebec Gold	3,800	.62	.70	.62	.70
No	.15	.02½	Quemont	......	.15	.....	.....	.....
1	.98	.55	Read Authier	12,730	.89	.97	.90	.94
No	.41	.27	Red Lake Gold	9,900	.31	.31	.30½	.31
1	1.67	1.15	Reno Gold	10,375	1.26	1.27	1.17	1.27
1	.00½	.00½	Ribago	......	.00½	.....	.....	.....
1	.02½	.00½	Ritchie	15,500	.01	.01	.00½	.01
1	.04½	.02	Robb Montbray	9,000	.02½	.02½	.02½	.02½
1	.10½	.04½	Roche Long Lac	7,000	.05½	.06	.05	.06
1	5.20	3.10	San Antonio	1,883	3.50	3.65	3.50	3.50
50c	1.25	.54	Sheep Creek	4,600	.88	.95	.87	.95
1	1.00	.45	Sherritt Gordon	23,728	.59	.66	.55	.64
1	3.29	2.49	Siscoe	17,250	2.74	2.80	2.70	2.70
1	4.60	3.30	South Amer. Gold	100	4.05	3.95	3.95	3.95
No	.15	.03	South Tiblemont	2,040	.04½	.05	.03	.05
No	.32	.13½	Stadacona	69,990	.22½	.23	.21½	.23
1	.39	.14½	St. Anthony	9,100	.19	.18½	.16½	.17
No	1.62	1.25	Sudbury Basin	3,142	1.35	1.42	1.35	1.35
1	.11	.05	Sudbury Contact	2,500	.06	.06	.05½	.05½
1	.07½	.03	Sudbury Mines	80,700	.06	.06½	.05½	.06½
1	.79½	.35	Sullivan Cons.	119,069	.79	.89	.78	.85
1	2.70	2.00	Sylvanite	5,650	2.17	2.18	2.12	2.14
1	.67	.38	Tashota Gold	7,700	.41	.42	.38	.40
1	4.70	3.67	Teck Hughes	5,945	4.10	4.15	4.00	4.11
1	.02½	.01	Timiskaming	......	.01	.....	.....	.....
1	1.45	1.08	Toburn Gold	570	1.10	1.15	1.10	1.10
1	.30½	.10	Towagmac	3,000	.11	.15	.14	.14
1	.30	.10	Treadwell	5	.30	.10	.10	.10
No	.01½	.00½	Vacuum Gas	1,000	.00½	.01	.01	.01
No	.32	.04	Vanson Man.	3,000	.10	.04	.04	.04
No	1.07	.80	Ventures	11,050	.82½	.86	.81½	.85½
No	.90	.45	Waite Amulet	4,283	.55	.60	.45	.60
50c	.24½	.07	Wayside	22,405	.11	.14	.12	.13½
No	.10½	.01½	White Eagle	12,020	.02	.02	.01½	.01½
1	.07	.03	Whitsey Coughlan	500	.04	.03½	.03½	.03½
1	.07½	.03½	Wood Kirkland	6,500	.04½	.05	.04½	.04½
No	9.90	7.75	Wright-Hargreaves	2,640	7.90	8.00	7.80	7.90
No	.85	.26	Ymir Yankee	4,900	.32	.31	.26	.26
			OIL STOCKS					
No	.26	.18	Acme Gas & Oil	3,900	.19	.18½	.18	.18½
1	1.09	.50	Ajax	2,150	.51	.52	.50	.50
No	.85	.49	Calgary & Ed.	1,100	.60	.50	.50	.50
1	.08	.04	Calmont	......	.05½	.....	.....	.....
No	.05½	.03½	Common Pete	......	.04	.....	.....	.....
No	.38	.18	Dalhousie	800	.23	.26	.25	.25
No	.12	.05	East Crest	......	.08	.....	.....	.....
No	.21	.07	Erie Gas	......	.07	.....	.....	.....
No	.35	.08	Foothills	1,000	.35	.30	.30	.30
No	.15	.15	High Sarcee	......	.15	.....	.....	.....
No	.80	.50	Home	1,550	.53	.54	.50	.52
1	.14	.05	Homestead O. & G.	......	.05	.....	.....	.....
No	.13½	.07	Lowery	......	.07½	.....	.....	.....
No	.27	.16	Merland	100	.18	.18½	.18½	.18½
1	.41½	.10	Midwal	......	.10	.....	.....	.....
1	.28	.18	Model	4,900	.22	.20½	.20	.20
5	.12	.03½	Nordon	88,200	.08	.12	.09	.12
No	.07	.03½	Oil Selections	9,000	.04½	.04	.04	.04
No	.06½	.03	Olga Gas & Oil	7,000	.04½	.04½	.04	.04½
1	.65	.40	Petrol Oil & Gas	......	.65	.....	.....	.....
No	27.00	18.00	Royalite	1,171	23.50	24.00	23.50	23.50
No	.12	.04	South West Pete.	......	.04	.....	.....	.....
No	.95	.55	Texas Can.	1,950	.75	.80	.70	.80

VANCOUVER STOCK EXCHANGE
(Transaction for Week to July 20.)

Par Val	Range 1935 High	Range 1935 Low	Company	Sales	Close July 12 (or last)	High for week	Low for week	Close July 20
1	.02½	.01½	Alexandria	......	.01½	.....	.....	.....
No	.16	.00½	Atlin Pacific	......	.00½	.....	.....	.....
25c	.01½	.00½	Bayview	......	.00½	.....	.....	.....
20c.	.10½	.04½	Beaver Silver	13,500	.05½	.06½	.05½	.06
25c	.02½	.01	Bluebird	6,500	.01½	.01½	.01	.01½
1	2.80	1.50	Bradian Gold	6,691	1.75	2.00	1.71	2.00
No	12.25	4.40	Bralorne	2,550	4.50	5.05	4.50	5.00
1	.08½	.03	Bridge River Cons.	2,300	.03	.03½	.03	.03
50c.	.24	.07½	Bridge River Exp.	2,800	.08	.09½	.08½	.09
1	.55	.27	B.C. Nickel	9,800	.29	.30	.29	.29
1	1.55	.90	B. C. Silver	2,725	1.40	1.55	1.35	1.55
50c.	.10	.05½	Canadian Rand	......	.05½	.....	.....	.....
1	1.50	.95	Cariboo Gold	2,275	.97	1.05	.96	1.05
No	14.00	12.50	Coast Breweries	121	13.50	13.50	13.30	13.50
1	.52	.21	Congress Gold	12,800	.24	.29½	.23	.29½
1	.07	.03	Cotton Belt	......	.03	.....	.....	.....
25c.	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.01½	.01	Dalhousie Mines	......	.01	.....	.....	.....
No	.95	.25	Dentonia	50,050	.26½	.37	.28	.29
No	.06½	.01	Dictator	......	.01	.....	.....	.....
1	.17	.04	Dunwell	1,000	.04	.04	.04	.04
No	.16½	.06	Fairview Amal.	11,500	.06½	.08	.06½	.08
50c.	.44	.28	Fawn Mining	500	.30	.30	.30	.30
1	.08½	.05	Federal Gold	1,000	.08	.08	.08	.08
1	.20	.12	George Copper	100	.20	.20	.20	.20
50c.	.07	.03	George Enterprise	6,000	.05	.06	.05	.05
1	.01	.00½	Georgia River	11,000	.00½	.00½	.00½	.00½
50c.	.06½	.01½	Glacier Creek	......	.01½	.....	.....	.....
1	.42	.18½	Golconda	5,700	.20	.20	.18½	.18½
5c.	.20	.11	Golconda Ex.	......	.20	.....	.....	.....
50c.	.45½	.24	Gold Belt	3,500	.25	.27	.25	.27
50c.	.19	.07	Gold Mountain	1,000	.09	.08½	.08½	.08½
50c.	.04½	.01½	Grandview	1,500	.02	.02	.02	.02
No	.24	.02	Grange Mines	113,500	.03½	.03½	.02	.02
1	.10	.05	Grull Wihksne	200	.05	.05½	.05½	.05½
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
25	11.50	6.40	Hecla	......	11.35	.....	.....	.....
50c.	.26	.18	Hedley Amal.	3,200	.19	.20	.19	.20
No	.12	.04	Hedley Sterling	1,000	.06	.06	.06	.06
1	.02	.01	Hercules Cons.	......	.01	.....	.....	.....
No	.12½	.04	Home Gold	4,100	.05	.04½	.04	.04½
1	.01½	.00½	Independence	1,000	.01	.00½	.00½	.00½
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.20	.17	Inter'l Coal	......	.20	.....	.....	.....
50c.	.87	.68	Island Mountain	15,400	.76	.78	.74	.78
1	.39	.31	Jack Waite	......	.33	.....	.....	.....
50c.	.72	.33	Kootenay Belle	7,800	.34	.35	.34	.34
25c.	.01½	.00½	Koot. Florence	......	.00½	.....	.....	.....
1	.01½	.00½	Lakeview	......	.00½	.....	.....	.....
10c.	.04½	.02	Lucky Jim	1,000	.02½	.02½	.02½	.02½
No	.41	.07	Mak Siccar	500	.10	.12	.12	.12
50c.	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.21	.16	McGillivray Creek	7,500	.20	.20	.20	.20
10c.	.19	.03½	Meridian Min.	20,500	.04	.04	.04	.04
No	.24½	.06	Minto Mines	21,600	.07	.07	.07	.07
50c.	.12½	.03½	Morning Star	17,500	.04½	.04½	.04½	.04½
1	.02	.01	Morton Woolsey	1,000	.01	.01	.01	.01
50c.	.06½	.03	National Silver	600	.04	.03½	.03½	.03½
50c.	.17	.05	Nicola	11,600	.09½	.10	.08	.09
50c.	.16	.05½	Noble Five	40,900	.06½	.06½	.06½	.06½
No	.09½	.03	Pilot Gold	3,000	.04	.03½	.03½	.03½
1	12.40	9.10	Pioneer Gold	1,650	9.50	10.10	9.45	10.10
50c.	.15	.07	Porter Idaho	4,500	.08½	.08½	.08	.08
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
1	.02½	.01½	Quatsino Copper	......	.02½	.....	.....	.....
No	.17	.10	Quesnelle Quartz	1,200	.10½	.10	.10	.10
No	.18	.10	Reeves McDonald	1,200	.10	.11	.10	.10
1	.39	.25	Relief Arlington	8,500	.25	.29	.27	.29
1	1.62	1.16	Reno Gold	47,900	1.25	1.27	1.16	1.24
1	.04½	.02	Reward Mining	......	.02	.....	.....	.....
1	.01½	.00½	Rufus Argenta	......	.01	.....	.....	.....
1	.05½	.01½	Ruth Hope	......	.02	.....	.....	.....
1	.62	.25	Sally Mines	......	.25	.....	.....	.....
50c.	.18	.11	Salmon Gold	1,500	.11	.12	.12	.12
50c.	1.18	.55	Sheep Creek	19,850	.87	.95	.85	.95
1	.05	.02	Silverado	......	.02	.....	.....	.....
25c.	.02½	.00½	Silvercrest	13,000	.00½	.01	.01	.01
20c.	.12	.03½	Silversmith	11,000	.04	.04	.03½	.03½
50c.	.01½	.00½	Snowflake	......	.00½	.....	.....	.....
No	.75	.65	Standard Silver	1,100	.70	.75	.72	.72
10	23.75	11.45	Sunshine	......	22.50	.....	.....	.....
No	.32	.15	Taylor Bridge	1,400	.18	.19	.17	.18
1	.20½	.12	Taylor Windfall	......	.12	.....	.....	.....
5	.35	.20	Toric	200	.30	.20	.20	.20
50c.	.10	.03	United Empire	......	.04	.....	.....	.....
No	.61	.13	Vidette Gold	6,900	.14	.25	.14	.22
No	.06	.01½	Viking Gold	......	.01½	.....	.....	.....
No	.07½	.02	Waterloo Gold	......	.02	.....	.....	.....
25c.	.01½	.00½	Waverley Tangier	15,000	.00½	.01	.00½	.00½
50c.	.23½	.07½	Wayside	9,750	.10½	.13	.10	.12½
20c.	.04	.01	Wellington	......	.01½	.....	.....	.....
No	.09½	.03	White Eagle	......	.03	.....	.....	.....
1	.14	.04	Whitewater	1,000	.06½	.06½	.06½	.06½
No	.83	.30	Ymir Yankee Girl	5,300	.34	.34	.30	.30
			OIL STOCKS					
1	.22	.06½	Amalgamated	14,900	.10½	.11	.10	.10
1	.10½	.05½	Alta Pacific	2,000	.05½	.06	.06	.06
1	.04	.01½	Anaconda	......	.01½	.....	.....	.....
No	.05	.01½	Baltac	......	.02½	.....	.....	.....
1	.07½	.05	Brit. Dominion	......	.05	.....	.....	.....
1	.25	.06	Crow's Nest	16,000	.10½	.11	.10	.10½
No	.03½	.01	Devenish	......	.02½	.....	.....	.....
No	.11	.05	Freehold	......	.06	.....	.....	.....
No	.04½	.03	Hargal	......	.03	.....	.....	.....
No	.15	.08½	High Sarcee	1,000	.09	.08½	.08½	.08½
No	.01½	.00½	Madison	......	.00½	.....	.....	.....
No	.17	.09	Marjon Oil	6,500	.10½	.10	.09	.09
No	.05	.02	McD. Segur Ex.	500	.03	.03	.03	.03
1	.48	.35	McLeod	50	.35	.37	.37	.37
No	.14½	.09	Mercury	12,050	.11	.12½	.11	.11½
No	.14	.07	Mill City Pete	......	.07	.....	.....	.....
No	.06½	.04	Okalta	......	.05	.....	.....	.....
No	.10½	.02½	Pacalta Oil	2,000	.03	.02½	.02½	.02½
1	1.17	.31	Ranchmen's	1,500	.32	.35	.31	.35
No	.01	.01	Richfield	......	.01	.....	.....	.....
1	.28	.15	Spooner	......	.19	.....	.....	.....
No	.10	.04	United	......	.04	.....	.....	.....
No	.14	.04	Vanalta	1,000	.06	.04	.04	.04
1	.05	.04	Wellington Oil	......	.05	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	5.16
Anglo Huronian†	40c.	.....	McKinley Sec.	2½c.	.....
Buff. Ankerite	20c.	7.20	Model Oils	3c.	.....
Bulolo Gold‡	1.20	.....	Nipissing	12½c.	.....
Calgary & Ed.	5c.	.....	Noranda	$1	.....
Coast Brew.	92c.	6.81	Nor. Canada†	2c.	.....
Coniagas‡	12½c.	.....	Petrol Oil‡	3c.	.....
Cons. Smelters	$1.25	.....	Premier	12c.	8.51
Dome Mines	$2	5.29	Pioneer, B.C.	80c.	7.92
Falconbridge	7½c.	.....	Reno	12+2c.	9.44
Hollinger	65c.+5c.	5.00	Royalite	75c.	.....
Howe Sound	$3	.....	San Antonio	7c.	.....
Howey Gold	3c.	.....	Siscoe	20c.	7.20
Hudson Bay	50c.	.....	So. Amer. Gold	10c.	.....
Int. Coal & Coke‡	1c.	.....	Sunshine	30c.	.....
Inter. Mining	15c.	.....	Sylvanite	20c.	9.30
Int. Nickel c.	60c.	2.18	Teck Hughes	40c.	9.63
Kirk. Lake†	3c.	.....	Toburn	8c.	7.27
Lake Shore	2+50c.	3.98	Wright-Har.	40+5c.	9.08
Macassa	5c.	.....			

‡Interim. †Initial.

CHARTERED ACCOUNTANTS

McDONALD CURRIE & Co.
Chartered Accountants
Montreal Quebec Toronto

RUTHERFORD WILLIAMSON & CO.
Chartered Accountants
RUTHERFORD WILLIAMSON, F.C.A., HAROLD A. SHIACH, F.C.A.,
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A F. R. McCutcheon, C.A.

E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers
15 Wellington St. West, Toronto
CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH
Toronto — Montreal — Ottawa

RONALD, GRIGGS & CO. Winnipeg
Chartered Accountants Saskatoon
(FACILITIES IN ALL PRINCIPAL CITIES)

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG MANITOBA

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

Legal and Professional Directory

R. DOUGLAS GRAHAM, K.C.
BARRISTER & SOLICITOR
Specializing in Mining Law and Incorporation
ROY BUILDING, HALIFAX, N.S.

Pitblado, Hoskin, Grundy, Bennest and Drummond-Hay
Pitblado, Hoskin, Turner, McEwen and Alsaker
Barristers, Solicitors, Etc.
Hamilton Building
WINNIPEG, CANADA

REID, WALLBRIDGE, GIBSON & SUTTON
Barristers, Solicitors, etc.
R. L. Reid, K.C. D. S. Wallbridge
J. G. Gibson W. A. Sutton
YORKSHIRE BUILDING
VANCOUVER, B.C.

Noranda Mines Stock Continues at New York

Stock of Noranda Mines, Ltd., which has not been registered with the U. S. Securities and Exchange Commission, will continue to be traded on the New York Exchange until Sept. 13. Under a SEC ruling giving unregistered Canadian companies a 60-day extension, the exchange rescinded its July 15 suspension of trading in the stock.

ROOFING
Built-up Roofs, Asphalt Shingles, Etc.
INSULATION
INSUL-BOARD..moisture proof insulating board
FLOORING
Colored Tile Flooring . . . Industrial Flooring
BP BUILDING PRODUCTS LIMITED
MONTREAL TORONTO HAMILTON
WINNIPEG ST. JOHN, N.B. HALIFAX

STEEL STRUCTURES
RAILWAY AND HIGHWAY BRIDGES
PLATE AND TANK WORK
ELECTRIC AND HAND POWER CRANES
HYDRAULIC REGULATING GATES AND OPERATING MACHINERY
Caissons, Barges, Coal and Ore Bridges, Liftlocks, Turntables, Gear Cutting, General Machine Work, Forgings.
DOMINION BRIDGE COMPANY LIMITED
HEAD OFFICE - - LACHINE (MONTREAL) QUE.
BRANCH OFFICES AND WORKS:
MONTREAL OTTAWA WINNIPEG VANCOUVER
AMHERST TORONTO CALGARY
AGENCIES: EDMONTON REGINA

For Sale
FREEHOLD TIMBER LANDS
THE Canadian Pacific Railway Company offers for sale 150 square miles (95,718 acres) of valuable freehold timber lands situated in the Province of Quebec, estimated to contain from 5 to 6 cords of pulpwood per acre, or about half a million cords, other valuable timber and about 42 per cent arable land.
In addition, the Company offers for sale scrip for about 230 square miles (147,525 acres) of freehold timber limits in the Province of Quebec, to be selected.
For further particulars apply to—
J. O. APPS
General Executive Assistant,
Canadian Pacific Railway Co.,
203, Windsor Station,
MONTREAL, Que.

Gold Stocks and Fear

What's the Matter With Senior Golds? — Condition Today as Sound as Ever, Analysis Shows

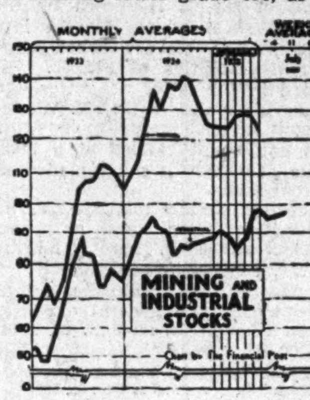
A glance at the accompanying chart will convince anyone, if there is anyone not already convinced, that some force or forces are definitely holding back gold mining stocks.

The weighted index of 23 mining issues, due largely to declines in the major golds, fell from 118.8 for the week ended July 4, to 118.0 for the week ended July 11, the Dominion Bureau of Statistics reports. Still further declines in the index may be expected in the week just past, judging from the general tone of the market. As shown in the chart, this decline is part of a broad decline which started in August, 1934, with a brief interruption in April and May of this year.

In sharp contrast to this, is the general rising tendency in other issues, as shown in the charted index accompanying.

Cause Not Physical

While the six months reports of Canada's big gold producers showed, with few exceptions, decreased earnings, these reports are not causing alarm among experienced mining market observers, inasmuch as decreased earnings are due to a period of double taxation, and the policy of treating lower grade ore, as explained in previous issues of The Financial Post.



It is therefore, fairly obvious that the decline in gold issues is not duc to any particular physical development at the big gold properties. The average yield of 13 dividend-paying gold stocks at current prices is, The Financial Post estimates, about 6.99 per cent, while the average yield of 15 representative dividend paying industrial stocks at current prices, amounts to about 4.47 per cent. It should be pointed out, however, that a portion of the yield on mining stocks is a return of capital since mines are wasting assets. Analysis of the yields of some of Canada's gold companies shows that there are many excellent opportunities for investment at current price levels.

The conclusion must be, therefore, that the forces tending to depress the gold share market are not physical, and are not current.

They are largely economic, and largely discounting the future.

Taxation Question

Among the exceptions to this generalism is the low-grade policy referred to above As everyone now knows, Canadian gold mines have instituted the generally accepted practice of treating a grade of ore which, at previous gold prices, was not commercial, thereby lengthening the life of their company. While this policy has cut into the earnings of such companies as Hollinger and McIntyre to mention only two, it has not yet, nor is it considered likely to have, any effect on the dividend rate of these companies. True, there is some doubt as to the regularity of Hollinger's bonus, but this doubt is largely a question of taxation, to be discussed under another head. In any event, taking the long view, such a policy lengthening as it does, the time during which shareholders may expect returns from their investments, should be welcomed by the long-headed shareholder, and cannot be seriously regarded as a factor in keeping prices at their present comparatively low levels.

Double Burden

More serious, among current causes of this lethargy in golds, is taxation. In this regard, the outlook for the second half of 1935 is slightly better than the first half, although most of the burden against which mining men are universally complaining will remain. During the first five months of the year, mining companies subject to the late unlamented bullion tax, had to pay both this unpopular levy, and the increased corporation income tax. This placed a heavy load on these companies, as indicated in the six months reports published in recent weeks in The Financial Post. It has been estimated that the seven Ontario gold mines thus placed, will have to pay during 1935, about $1.5 million more in taxes to the Dominion Government than they did in 1934.

Most of this added burden was deducted from first six months earnings. As for the second half of the year, it is estimated that the federal tax burden will be about the same as during the last half of 1934, but will be distributed more equitably than was the bullion tax. Under this heading, there remains fears for the future. Although the situation regarding federal taxation on mining is clear for a short period, at least, the provinces are yet to be heard from, and fear has been expressed that the various provincial governments may seek to swell their coffers from this source. While there have been some unofficial grounds for believing that Ontario, when the fall session of the legislature starts, will not increase the tax burden of the mines, just enough doubt exists to contribute to the depression. An official statement from the government would do much to clear the air.

"Fear Psychosis"

Apart from these two factors, low-grade tonnage, and heavy taxation, the factors behind the current doldrums are, it is generally conceded, in the future. In other words it is in the nature of a fear psychosis, if there is such a phrase.

What is the basis for this fear?

Largely it is a result of disappointment in the price of gold, on the part of those who read, marked, learned, and inwardly digested the flamboyant forecasts of $40 and, in one case, $75 gold, given great prominence late last year, and early in 1934 by pseudo economists, and those with a few gold shares to sell.

The fact has been that gold has remained fairly stationary at around $35 per ounce since February, 1934. In this regard the following tabulation, showing average monthly prices of a fine ounce of gold in Canadian funds since January, 1933:

Average Monthly Gold Price

	$		$
1933			
Jan.	23.64	July	30.58
Feb.	24.74	Aug.	30.09
Mar.	24.78	Sept.	31.79
Apr.	25.33	Oct.	31.48
May	27.75	Nov.	32.68
June	28.24	Dec.	32.14
1934			
Jan.	23.05	July	34.59
Feb.	35.29	Aug.	34.19
Mar.	35.08	Sept.	34.18
Apr.	34.93	Oct.	34.27
May	34.94	Nov.	34.16
June	34.73	Dec.	34.57
1935			
Jan.	34.75	Apr.	35.12
Feb.	35.02	May	34.94
Mar.	35.27	June	*35.01

*Estimated.

Predictions of the effect of a complete abandonment of gold by the gold bloc countries varied sharply, but there were those who believed that the result would be a soaring price of gold. The gold bloc has not occupied space on the front pages of the press for some time, and the uncertainties which earlier in the year surrounded this group have temporarily been eliminated. Thus another one of the hopes of the incarnate gold optimist has been delayed.

Inflation Fading?

Much the same could be said for the inflation talk which periodically causes a flurry in the market. Despite pressure by interested parties, there seems to be no reason at the moment for believing that President Roosevelt intends taking further steps toward inflation, and the price of gold at Washington remains, and appears to be destined to remain for some months at least, at $35 per fine ounce. This is contrary to the predictions of some earlier in the year, predictions which are now having their reaction on the mining board.

There are other features. Gold mining profits undoubtedly benefitted when commodity prices were declining, because of the fact that operating costs were reduced. As commodity prices rise, profits of gold concerns fall. There are those who believe that the broad trend is now toward higher commodity prices. Thus the fear that profits of gold companies will be reduced still further.

Experience shows that the mining market is particularly quick to discount future profits. This is often an unhealthy characteristic, inasmuch as these future profits frequently do not materialize, and the reaction on the market is much worse than if it had been left to represent more exactly current conditions. The reverse of this is true but less noticeable.

The conclusion of all this must be that current prices of gold stocks represent fears for the future rather than current conditions. As pointed out, the price of gold today is the same as it was when mining stocks were hitting their sensational highs early in 1934. Most gold producers since that time are in a healthier condition, physically than they were then. Ore reserves have been increased. The average life of Canadian mines has been lengthened by the treatment of low-grade ore. The immediate taxation burden, with the exception of the double tax already mentioned, and already a thing of the past, will remain to all intents and purposes the same as in 1934. There is no more reason to believe that gold prices will fall from their $35 level than there was at that time. Yields of gold producers are at a healthy level.

Yet fear keeps the market sagging.

Canadian Pacific Express
Travellers Cheques
Are World Currency
Carry them on your next trip and be assured of travel comfort.
Get them from any agent of the Canadian Pacific & most Banks

Investors' Chronicle
6d Established 1860 6d
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post card application to:—
THE PUBLISHER,
INVESTORS' CHRONICLE,
20, BISHOPSGATE,
LONDON, E.C.2, ENG.

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY . . CANADA

SEVERAL NEW VEINS CUT BY PERRON GOLD

Good Values and Widths Reported — Drifting Continues

Several new veins in previously unexplored sections have been indicated as a result of diamond drilling at the Perron Gold Mines property, J. P. Norrie, general manager, in his official report covering operations at the mine during the two weeks ended June 30, states.

On the 175-ft. level a new vein, No. 194, northwest of previous ore development has been opened up by drifting for 87 ft. The report states in part, as follows:

"The average width is five ft. with average grade of .62 oz. or $21.70 per ton. Another new vein was located on the first level over a drift length of 70 ft., average width of five ft., assaying .26 oz. or $9.10 per ton. All faces on both of these veins are still open. Diamond drilling northeast of No. 11 ore body in a new section of the mine has intersected two reportedly important ore sections. Drifting on the 375-ft. level on the new vein has been continued in well mineralized quartz.

Mining Chatter from B. C.

From Our Own Correspondent

VANCOUVER. — The Lowhee hydraulic mine, one of the largest of its kind on the continent and for many years one of the biggest producers in the Cariboo area, has been disposed of to British interests, according to authenticated advices from Barkerville. Further expenditure to test the alluvial gravel is planned.

* * *

Quesnelle Quartz

Alan N. Ker, managing director of Quesnelle Quartz Mining Co., reports satisfactory results from drifting on the 200-ft. or No. 4 level. Ore bodies on the property, which a number of years ago was known as the Senator Reid Mine, are reported to be widening. The company plans to start sinking the main shaft an additional 100 ft. in the near future.

* * *

Cariboo Gold Output

June production of Cariboo Gold Quartz Mining Co. was $40,000, according to a report issued by J. R. V. Dunlop, secretary. Since the company commenced milling operations in 1933 gold to the value of $951,412 has been produced.

* * *

Gold Mountain Mines

Gold Mountain Mines at Hedley reports that the crosscut being driven from the winze sunk to a depth of 40 ft., from No. 1 level of the Maple Leaf vein has cut through the hanging wall. Assay reports show average values of $61.40, gold taken at $34 an ounce, over the full eight feet width of vein against the hanging wall.

* * *

Reliance Gold Mining Co.

Reliance Gold Mining Co. has commenced active development work on its Bridge River property, located across the Bridge River from Wayside and Congress. Work is being financed by interests in the eastern United States. D. J. Brebber is in charge.

* * *

Increases Capitalization

Directors of Sally Mines have authorized an increase in the company's capitalization from $500,000 to $600,000 by creating an additional 100,000 shares. This action was taken in order to facilitate the raising of finances for more rapid development. Directors of the company are H. B. Morley, W. B. Farris, D. J. Morgan, C. E. Nordman, James Anderson and Stanley Crocker.

* * *

Ymir To Step Up Mill

Ymir Consolidated is milling 100 tons of ore daily, according to the latest official report. Silver recovery is reported at 95 per cent and gold at slightly over 90 per cent. It is planned to step the mill up to 150 tons per day in the near future. About 8,000 tons of ore have been broken in the stopes of the Ymir and Goodenough mines ready for the mill.

SMELTERS OPTIONS PARKIN TWP. CLAIMS

Preliminary Work on New Finds Gives Encouraging Results

From Our Own Correspondent

SUDBURY.—Further information regarding the new gold finds in Parkin township, north of Sudbury, and about four miles east of Milnet, indicate that the discoveries are of an encouraging nature.

Consolidated Mining and Smelting Co. has acquired an option on a group of 18 claims in the area, and staked a number of other claims in the vicinity. The properties optioned are owned by Alex. Howard and Stanley Brennan, of Callander, in partnership with Magnus Tait, of Iron Bridge. Smelters officials have considered the showing of sufficient promise to send a force of seven men to the scene, and a programme of surface exploration is under way.

Diamond drilling for nickel was under way in Parkin twp. when the gold discoveries were made. The new activity, however, is in a section of the township which has heretofore seen little prospecting. The showings secured recently are in greenstones.

Fox Lake Gold Mines Tests Ore Occurrences

From Our Own Correspondent

SUDBURY. — Fox Lake Gold Mines, in the West River area, is at present continuing its programme of diamond drilling to test ore occurrences at shallow depths. Shaft-sinking will depend on the results obtained.

Apart from the McMillan Gold Mines, which is now producing at the rate of approximately $33,000 monthly, the Fox Lake represents the only activity in Mongowin township. Other prospective ventures, including Marsh Lake Gold Mines, Carruthers Syndicate, and LaCloche Gold Mining Syndicate, are at present idle. Carruthers, however, is considering a diamond drilling programme.

Ore Receipts at Trail Amount to 10,210 Tons

Receipts of ore and concentrates at the Trail smelter of the Consolidated Mining and Smelting Co. of Canada totalled 10,210 tons in the week ended June 14. Concentrate shipments totalled 119 tons and ore shipments from the company's own mines, 9,715 tons.

The following is a detailed statement of receipts for the week:

Name of Mine:	Tons
Dundee	119
Evening Star	46
Mountain Chief	32
Number Seven	137
Palmita	42
Columario (concentrates)	15
Meridian (concentrates)	40
Reno (concentrates)	9
Wilcox	55
	495
Company's mines	9,715
Total	10,210

Parkhill Gold Mines Output Larger in June

From Our Own Correspondent

MONTREAL. — Parkhill Gold Mines reports June gold production at $32,800 compared with $31,184 in May. Tonnage milled during the month totalled 2,060 tons.

June production brought the total recovery for the nine months ended June 30, to $222,712. Tonnage in that period amounted to 14,850 tons, while the average recovery was $15 per ton, and the average daily mill run was 54.5 tons.

GRANBY TO CLOSE ANYOX PROPERTY AT END OF JULY

Profit of $53,429 is Reported on Metal Sold

Granby Consolidated Mining, Smelting and Power Co. will close its mine and smelter at Anyox, B.C., at the end of July except in so far as it may be necessary to clean up, which it is expected will be completed during August. This announcement is made in the company's quarterly report covering operations in the three months ended June 30.

A profit of $53,429 is reported on metal sold during the quarter. This amount was arrived at by restoring $510,780 to income, being the portion of the inventory reserve shown in the balance sheet as of Dec. 31, 1934, applicable to copper sold during the quarter.

Metals produced during the three months were as follows: copper, 10,263,384 lb.; silver 132,764 oz.; and gold, 2,706 oz.

Metal Sales

Deliveries of copper sold during the period reviewed by the report amounted to 19,476,935 lb., for which there was received an average net price of 6.914 cents per pound, f.o.b. refinery. Sales of silver amounted to 108,311 oz., at an average price of 63.11 cents per ounce and sales of gold, 1,475 oz., at an average price of $33.90 per ounce.

The report further says: "A depletion charge of $44,710 (for which there was no cash outlay) was set up for the quarter thereby reducing the net book value of the Anyox properties to the nominal value of one dollar. No depreciation has been provided with respect to the Allenby and Copper Mountain properties which are still not operating.

Inventory of Metals

"The inventory of metals at the end of the quarter was as follows: copper, 99,068,202 lb.; silver, 623,667 oz.; and gold, 6,497 oz.

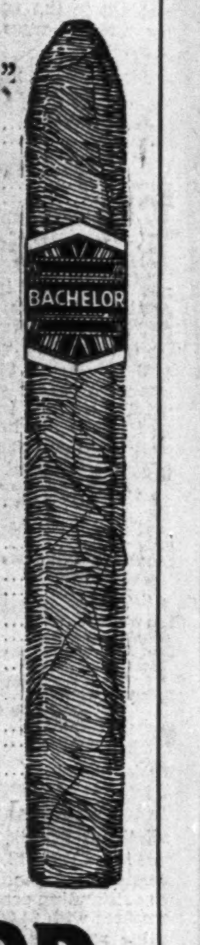
"A portion of the aforementioned copper is 'duty' free having been shipped into the United States before the import duty became effective and may be sold in the United States or in the foreign market.

"The prices at which the aforementioned metals are carried in the books at June 30, 1935, are as follows: copper, 6.86 cents per pound; silver, 25.09 cents per ounce; and gold, $20 per ounce.

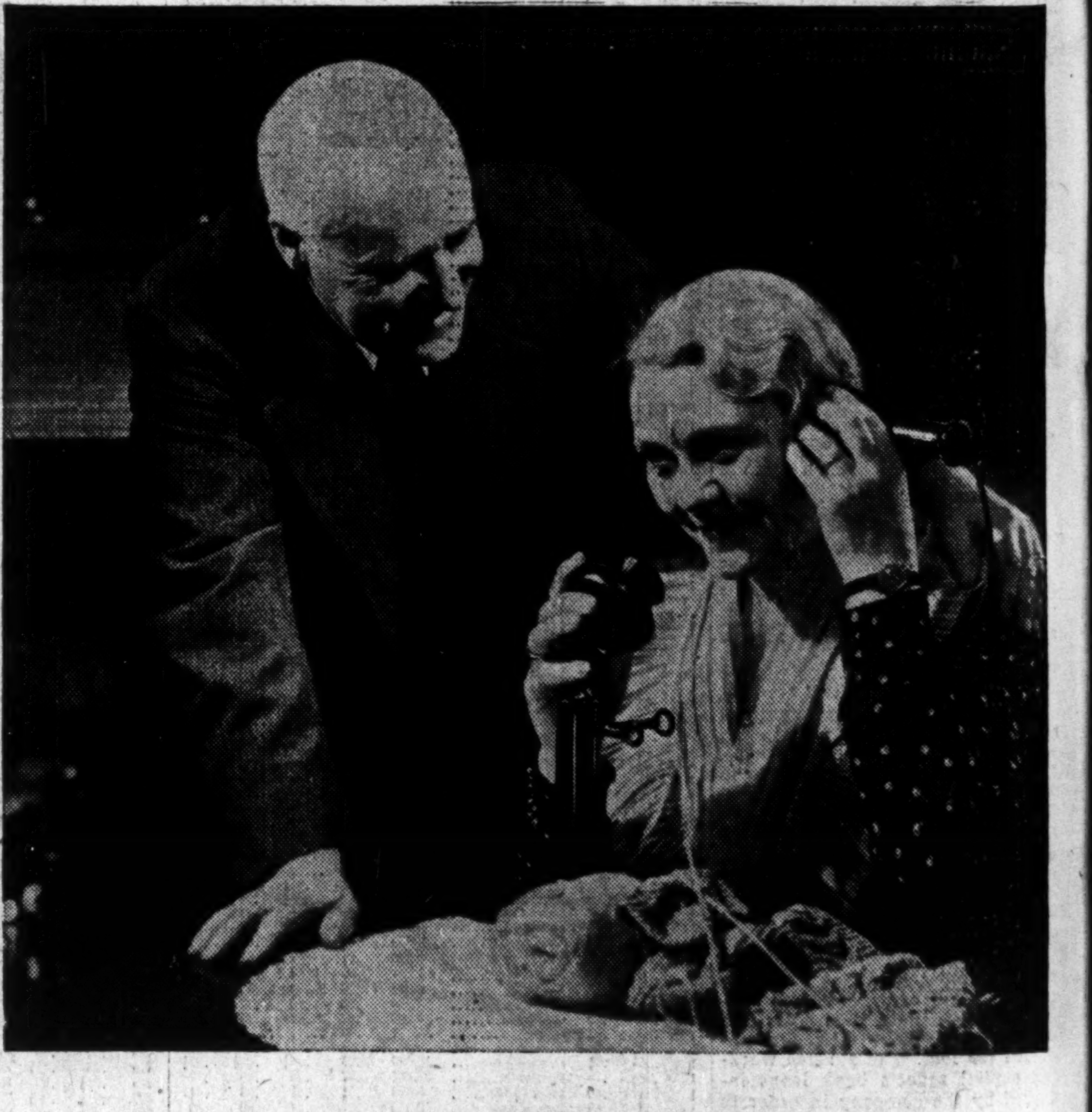
Value of Liquid Assets

"Computing the inventory of copper sold for future delivery at the sales prices and the remainder of the copper, silver and gold at the net value of the market quotations of foreign copper, silver and gold as of June 30, 1935, less provision for refining and marketing charges, the assets represented by the inventory of metals, materials and supplies (including those at Allenby) cash and accounts receivable, less current liabilities, amounted to $5,932,020."

During the quarter the capital stock of Coastwise Steamship & Barge, Ltd., of which Granby owns 50 per cent, was reduced to $150,000, thereby reducing Granby's investment in that company from $125,000 to $75,000.

"A man CAME INTO MY OFFICE"
I'm just as susceptible to compliments as the next one. The other day a man came into my office to sell me something. As we began to talk he offered me a cigar. Between puffs we chatted over his proposition. In the end I bought. The man in the next office was watching me through the glass and he thought that was a great joke. He dared me to say that the cigar I accepted had nothing to do with closing the deal. I admitted he was quite right. "But," said I, "I looked at that cigar first. It was a Bachelor. When that chap offered me a Bachelor he not only paid a neat compliment to my good taste but he stamped himself as a man who knows sound value. He agreed with me that it sure is good to get back to a ten cent cigar." And that's the kind of man I like to do business with.


WILSON'S
BACHELOR
Cigar
10¢
100% Havana Filler


WHEN IT'S THEIR ANNIVERSARY . . . AND YOU'VE BEEN AWAY A LONG TIME . . . AND YOU CAN'T BE THERE IN PERSON TO CONGRATULATE THEM . . .
Send your voice instead, by Long Distance.

Night rates on "Anyone" (station-to-station) calls NOW BEGIN AT 7 P.M.